



# **Daily Report**

# **China**

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# Daily Report

## China

FBIS-CHI-96-103

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NOTICE: An \* indicates material not disseminated in electronic form.

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## HONG KONG & MACAO

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### General

#### PRC: Spokesman: U.S. Needs 'Realistic' Stance on Copyrights

OW3005084596 Hong Kong AFP in English  
0834 GMT 30 May 96

[FBIS Transcribed Text] Beijing, May 30 (AFP) — China called on the United States Thursday [30 May] to adopt a more "realistic" attitude at upcoming talks aimed at averting a trade war over copyright violations, as its complaints about Washington's tough tactics intensified.

"It is our hope that this time around the US will take a more realistic and sincere attitude during the negotiations, so that the talks will make progress," foreign ministry spokesman Shen Guofang said.

Washington announced Wednesday that it would send a team of negotiators to Beijing for talks on June 6 and 7 in an effort to avert a looming trade war over US allegations that China has failed to enforce a 1995 bilateral accord on protecting intellectual property rights (IPR).

"We do not want to see this subject deliberately made into a political issue," Shen said, adding that Washington should "objectively" review the efforts China has already made in improving IPR protection.

He also confirmed that Chinese and US officials had kept up discussions on IPR even after the issue came to a head several months ago.

The United States is set to impose trade sanctions on China worth two billions dollars if the copyright dispute is not resolved by June 17. Beijing has vowed to respond with counter-measures.

"The sanctions will do nothing to resolve the issue and will instead make it more complicated, and that we do not want to see," Shen said.

Meanwhile, China's textile industry slammed Washington's sanctions threat, accusing the United States of using strongarm tactics to contravene free trade practices.

The protest came from the China National Textile Council (CNTC), which will bear the brunt of the 100-percent import duties to be levied under the US sanctions on June 17.

"Chinese textile and garment makers and 15 million workers have expressed extreme indignation about the US superpower behaviour to violate international free trade norms by unilaterally announcing trade retaliatory measures," the council said in a statement. The "irresponsible" move "will greatly hurt China's textile industry and will affect the employment of at least 450,000 workers," it said. "The Chinese textile industry calls on

the US government to abide by the regulations concerning textile trade of the Uruguay Round of the General Agreement of Tariffs and Trade, instead of being an impeding force in international trade."

At the same time, IPR officials in the southern province of Guangdong — labelled by Washington as the national centre for piracy of audio-visual products — rejected as "groundless" Thursday US accusations that they have failed to clamp down on copyright violations. One IPR official quoted by the XINHUA NEWS AGENCY said that since September last year the authorities in the provincial capital Guangzhou had shut down more than 1,000 businesses connected with IPR infringements and seized more than 1.38 million pirated audio-visual products. In a single raid in January on an underground compact disc factory in nearby Shenzhen, IPR enforcers seized 100,000 fake CDs, video-compact discs and CD-ROMs, the official added. In a separate commentary, XINHUA said Sino-US trade and economic relations were "at a crossroads" and laid the blame for the current impasse squarely at Washington's feet.

"The trade friction between China and the United States has been provoked by the US authorities. Therefore, the US government should take measures to resolve the problem," the commentary said.

#### PRC: Spokesman Asks South Africa To Break Ties With Taiwan

OW3005091596 Hong Kong AFP in English  
0906 GMT 30 May 96

[FBIS Transcribed Text] Beijing, May 30 (AFP) — The Chinese government called Thursday [30 May] on Pretoria to break its diplomatic ties with Taiwan, describing the relationship as a legacy of South Africa's racist past.

The call came amid strong indications that South Africa — the only major developed nation recognising the government in Taipei — is nearing a decision on whether to switch its allegiance to Beijing.

South Africa's recognition of Taiwan "is just a legacy from the former racist regime dominated by white people," Chinese foreign ministry spokesman Shen Guofang said, calling on Pretoria to "properly settle this issue."

Shen urged the South African government to recognise Beijing as the sole government representing the whole of China, of which Taiwan was an inalienable part.

"On this basis, the existing diplomatic ties should be severed between South Africa and Taiwan," he said.

Beijing views Taiwan as a renegade province and rejects any attempt by foreign governments to extend dual recognition to the two rivals.

South African President Nelson Mandela last year said he was "very keen" to establish ties with Beijing but added that he lacked the "moral courage" to break with Taipei. However, South African Foreign Minister Alfred Nzo said earlier this week that the importance of establishing diplomatic relations with China was self-evident and that a scheduled visit to Taiwan in June would further assist his government in its deliberations.

"The South African government is consulting widely on the matter and at the highest level," Nzo said.

Chinese Foreign Minister Qian Qichen said in Zimbabwe earlier this month that if South Africa needed time to sever its relations with Taiwan, "China will wait."

#### **PRC: UN Envoy Urges End to 'Prejudice' Against China**

*OW2905233196 Beijing XINHUA in English  
1815 GMT 29 May 96*

[FBIS Transcribed Text] Geneva, May 29 (XINHUA) — Chinese ambassador Wu Jinmin Wednesday called for an end to prejudice against China in his speech following the approval of China's report at the current meeting of United Nations Committee on Rights of Child.

The world is far from being free of prejudice, he commented on the two days' expert review of China's report. On many issues including the rights of child, China has fallen victim of biased propaganda of some Western media and non-governmental organizations, he noted.

Seeing is believing. China welcomes the visit by experts with a view to establish objective and impartial dialogues, said Wu, also head of the Chinese delegation.

He added that looking back upon history, any person, if not biased, will recognize that China has made great progress over past decades in promoting child's rights.

According to a report on the situation of children worldwide issued by the U.N. Children's Fund this year, China outpaced many other developing countries in the development of child health, nutrition and education, Wu said Tuesday when presenting China's report to the Committee.

In reviewing the report on implementation of Convention on the Rights of Child, the expert panel also posted questions on the treatment of girls, care of children in

institutions for abandoned youngsters, orphans or handicapped children and Panchen Lama dispute.

Concerning the treatment of girls, Vu said, above all, equality between the sexes in every aspect of the social life is guaranteed by legislation and many administrative measures adopted by the Chinese government.

Efforts were also taken to end traditional preferences for boys. A law also bans technical detection of the sex of fetuses in order to prevent any deliberate abortion of girls.

As for the reported "discrepancy" between the sexes of children born in China, Wu noted the major factor was that a number of newborn girls were not registered as showed by surveys.

Wu also cited for instance the education of girls in elaborating the situation of girls in China. He said by 1995, 99.2 percent of girls enjoyed primary school education, up from only 15 percent in 1949. In other words, he added, the difference between boys and girls was only 0.7 percent.

Wu assured the Committee that good treatment were given to children in welfare institutions, whether for orphans, the handicapped, or for those with health problems. In addition, special schools were established to ensure their education.

In answering inquiry about the situation of the child cited by the Dalai Lama as the new Panchen Lama, the Chinese ambassador said the boy, who had not been seen in public for more than a year, was in good condition and was living with his parents.

The boy was at risk of being kidnapped by Tibetan separatists and his security had been threatened. He had been put under protection of the government at the request of his parents, Wu said.

The Chinese ambassador reiterated that the Chinese government had strictly followed the established ritual over the past 200 years in Tibet in selecting the incarnation boy for the Panchen Lama. Dalai Lama, however, by declaring a particular boy to be the new Panchen Lama, disrupted the normal procedure.

Tibet had first become an integral part of China in the 13th century, he added.

**United States & Canada**

**PRC: Council Protests U.S. Sanctions Against Textiles**

**HK3005081196 Beijing CHINA DAILY in English  
30 May 96 p 5**

[By Li Yan: "China Protests Sanction Threat"]

[PTS Transcribed Text for FBIS] China yesterday strongly protested threatened US sanctions against Chinese textile exports and urged the US government to stick to international trade regulations.

The US sanctions, which are to be effective on June 17 if no agreement is achieved by the two governments by that date, involves \$3 billion worth of textiles, garments, electronics and other products for export to the United States.

Of the total, textiles are valued at \$2 billion, including \$750 million worth of silk products, \$470 million worth of cotton products, \$550 million worth of man-made fibre, \$160 million worth of non-silk blend fabrics, \$21 million worth of family decoration products and \$17 million worth of woolen knitting garments.

"Chinese textile and garment makers and 15 million workers have expressed extreme indignation about the US superpower behaviour to violate international free trade norms, by unilaterally announcing trade retaliatory measures," the China National Textile Council said in a statement yesterday.

The US unveiled on May 15 a list of sanctions targeting China for alleged intellectual property rights (IPR) violations, saying it is considering imposing 100 percent tariffs on the Chinese exports 30 days after the original US announcement despite "sustained efforts and conscious achievements" of the Chinese side in protecting IPRs, said the statement.

China responded immediately with a counter retaliatory package including imposing high tariffs on certain US imports and temporarily stopping examination and approval of US-funded projects in China.

"The irresponsible trade retaliation of the US will greatly hurt China's textile industry and will affect the employment of at least 450,000 workers," said the statement, noting that the industry is strongly against such a US violation of international free trade regulations.

"The Chinese textile industry calls on the US government to abide by the regulations concerning textile trade of the Uruguay Round of the General Agreement on Tariffs and Trade (Gatt), instead of being an impeding force of international free trade," said the council which governs the industry.

The US move was also criticized by Canada, Mexico, Japan and the European Union at the annual Organization for Economic Co-operation and Development talks in Paris recently. They said the US move ran counter to the aims of the World Trade Organization.

**PRC: Commentary Views Trade Confrontation With U.S.**

**OW3005072996 Beijing XINHUA in English  
0719 GMT 30 May 96**

[("Commentary: Confrontation Damages China-US Interests" — XINHUA headline)]

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Economic co-operation between China and the United States will benefit both, whereas confrontation will hurt both, according to observers here.

They agreed that the Sino-US trade and economic relations are now at a crossroad.

One observer said that the main obstacle lies in the fact that the US authorities have decided to impose sanctions against a number of Chinese commodities, in total disregard of the interests of the two countries, the fundamental interests of the people of the two countries, and the effective measures that the Chinese Government has taken to protect intellectual property rights (IPR) and the great progress China has made in protecting IPR.

China will incur losses from trade sanctions imposed by the US, he said, noting that the US will also suffer no less severely from China's retaliation.

The Chinese and US Governments signed a bilateral trade agreement on July 7, 1979, which came into force on February 1, 1980. In accordance with this agreement, the two countries granted most-favored-nation (MFN) trading status to each other.

Bilateral trade has been growing rapidly since the signing of the agreement.

Statistics from the Chinese side show that bilateral trade soared to 40.8 billion US dollars-worth in 1995 from 2.5 billion US dollars-worth in 1979, rising at an average annual rate of 20 percent.

"The US has become China's third-largest trading partner," the observer said.

By the end of 1995 American companies had launched 20,000 projects in China and spent over ten billion US dollars on the projects, more than those from any other country.

Meanwhile, China has been regarded by many American companies as the most important new market and the one with the greatest potential in the world.

But the development of Sino-US trade and economic relations has not been "smooth sailing," the observer said.

Out of domestic political needs, on May 15 this year the US government released a list of Chinese commodities worth three billion US dollars that will be subject to US trade sanctions.

In so doing, the US government totally disregarded the tremendous efforts the Chinese government has made to protect IPR and the great progress China has made in protecting IPR.

The move of the US government has not only met with resolute opposition from the Chinese side, but has caused concern to far-sighted people around the world, including US statesmen and business people.

US public opinion agrees that in case of a trade war between the two countries, the interests of the consumers of the two countries would be damaged, bilateral trade would fall sharply and the economies of the two countries would be affected adversely.

A number of Americans hold that neither side could win a trade war, which would cause enormous damage to Hong Kong's economy as well, and the US would lose tens of thousands of jobs.

Some American economists have pointed out that from the long-term point of view, the US would lose the enormous market of China if it imposed trade sanctions on China.

China's economy is growing in a sustained, rapid and sound manner, and its market is expanding steadily. Imports into and exports from China are projected to reach or top 400 billion US dollars in the year 2000.

The American trade and economic community is facing a historic opportunity for expanding co-operation with China.

A number of statesmen in Asia have criticized the US for imposing sanctions against China, noting that the US is pursuing "power politics" in the region, which will cause adverse effects in the region and damage the economy of the world as a whole.

They appealed to China and the US to solve their disputes through negotiations.

In international economic relations the US frequently imposes sanctions against other countries. This has met with strong opposition from both developing and developed countries.

At a ministerial meeting of the Organization for Economic Co-operation and Development held in Paris on May 21, delegates of other Western countries strongly criticized the US for its trade sanctions policy. They demanded that the practice of imposing unilateral sanctions in international trade be abandoned.

IPR protection complies with China's national policy of invigorating the country through science and technology, represents the fundamental interests of scientific and technological progress and economic growth, and meets China's need to expand international economic and technological co-operation.

Since China and the US signed an agreement on IPR protection in February last year, the Chinese government has dutifully performed all the obligations as stipulated in the agreement and implemented the plan for effectively protecting and enforcing IPR.

Over the past few years the Chinese government has set up a special task force for enforcing IPR, opened IPR courts, shut down a number of production lines that turned out pirated CDs and VCDs, and destroyed millions of pirated audio and video products. All these are undeniable facts.

Trade friction between China and the US has been provoked by the US authorities. Therefore, the US government should take measures to solve the problem.

Speaking of differences between China and the US concerning IPR, US Secretary of State Warren Christopher indicated that the US does not intend to fight a trade war with China.

Observers here agreed that this is a positive gesture.

One observer said, "We are waiting to see what specific measures the US government will take to reverse its erroneous decision on IPR protection and make good the damage to Sino-US relations."

#### **PRC: Guangdong Official on 'Groundless' U.S. IPR Charges**

*OW2905144896 Beijing XINHUA in English  
1443 GMT 29 May 96*

[FBIS Transcribed Text] Guangzhou, May 29 (XINHUA) — South China's Guangdong Province, one of the country's most vigorous coastal economies today defended its protection system on intellectual property rights, and slammed charges from United States.

An official with the province's IPR working conference office described US complaints as "groundless charges."

He said that the province has realized a remarkable progress in IPR protection in recent years and had taken a series of severe measures against copyright pirates.

A statistics report in Guangzhou shows that between last September and March, the province inspected nearly 30,000 shops and companies, seized more than 1.38 million items of pirated video and audio products, and shut down more than 1,000 businesses tied up with IPR infringements.

A number of markets involved in illegal trade of video and audio products were deprived of business licenses. And the province's 1,829 public laser disc (LD) booths, where LDs were publicly shown for profits, were shut down together with four local plants accused of pirate LD production.

In Shenzhen, the first special economic zone of China, police seized nearly 100,000 fake CDs, VCD [video compact disks] and CD-ROMs on January 19 at an underground CD factory.

Chen Jiakun, director of the province's social culture management office said that an IPR protection system has been basically established to cover the whole province.

Since last year laser disc manufacturing licenses were re-registered during a province-wide rectification drive, and IPR supervisors were nominated in all these plants.

In addition, an association for software copyrights protection was launched in the province, and an all-round investigation of illegal trade of audio and video product licenses was launched early this year.

#### PRC: Survey Shows Strong Anti-U.S. Sentiment Among Youth

HK3005033096 Hong Kong MING PAO in Chinese  
17 May 96 p A10

[Report by special correspondent Chin Min (6855 2404): "Anti-U.S. Sentiment Grows Stronger Among College Students; 90 Percent of Young People Find the United States Unfriendly"]

[PTS Translated Text for FBIS] The latest survey conducted by the Chinese Youth Research Center in six provinces and municipalities finds that 90.3 percent of young people polled believe that the United States shows a hegemonic attitude on the China issue, with 95.7 percent of college students holding this view.

The survey shows that 93.8 percent of the young people find the United States "unfriendly" to China on the Taiwan issue, 91 percent believe that the United States erects obstacles to China's reentry into GATT, and 83.8 percent consider U.S. criticism of China's human

rights situation malicious. On these three questions, the proportion of college students finding the United States unfriendly to China is obviously higher than that of ordinary workers, indicating that anti-U.S. sentiment among Chinese college students has grown strong in recent years.

The poll was conducted in Beijing, Shanghai, Shandong, Sichuan, Anhui, and Jiangsu. Before that, two surveys jointly conducted by the Chinese Youth Research Center and the Chinese Youth Development Foundation found that the United States ranked top among countries most unpopular with young people, who accounted for 31.3 percent of the respondents; and 57.2 percent had the worst opinion of the United States.

The latest survey shows that the United States has become much more unpopular with Chinese young people than in the last two polls. It is believed that this has to do with constant Sino-U.S. disputes over the past year.

The survey shows that Chinese young people have a contradictory love-hate attitude toward the United States. Nearly 90 percent polled believe that the United States is well-off and has strong comprehensive national strength; about 80 percent think that the United States is a country that attaches great importance to material value and has a relatively strong spirit of respect for the professions; more than 70 percent think that the United States has a rich cultural and entertainment life and has comparatively high work efficiency; and 66 percent find U.S. society highly competitive. All these undoubtedly make young people, who attach importance to realizing self-value and who are bold in challenging society, fond of the United States.

However, Chinese young people, who show deep love for Chinese traditions and who are nurtured by its morals, will not flatter U.S. society on its seamy side: About half of the respondents hold that U.S. spiritual life is relatively empty and is poor in morals, and that corruption among government officials and policemen is comparatively serious. Around 90 percent think that in the United States, drug use and trafficking are serious problems, the gap between rich and poor is wide, and both men and women are self-indulgent.

The Chinese media have always instilled the following concept in the younger generation, which generally has a stronger sense of democracy: U.S. democracy is wealthy people's democracy and is a sham.

Evidently, Chinese young people have generally accepted this concept, with 53.5 percent in agreement with it. Eighty-one percent even believe that the United States is promoting bogus democracy and pursuing true hegemonism and expansionism in the world.

**Northeast Asia**

**\*PRC: Foreign Policy of Japan's Hashimoto Examined**

**96CM0274A Beijing XIANDAI GUOJI GUANXI [CONTEMPORARY INTERNATIONAL RELATIONS] in Chinese 20 Feb 96 No 2, pp 33-36**

[Article by Lu Longshun (0712 7127 7311) and She Hua (0152 5478): "Japan's New Prime Minister Ryutaro Hashimoto"]

[FBIS Translated Excerpt] [passage omitted] III. Foreign Policy

On the diplomatic front, Hashimoto will continue Japan's existing line and policies, conducting a diplomacy of "self-independence." Hashimoto will put considerable emphasis on improving Japan's international position and bringing Japan to play a lead role internationally. He has been clear in proposing that Japan become a nation that will "play a leading role in stabilizing and developing the world." He advocates Japan be vigorous in its efforts to become a permanent member of the Security Council and send its self-defense forces to participate in UN peacekeeping actions, "assuming a responsible role" on the larger stage of the United Nations. He advocates reform of the United Nations, and urges it to play a maximum role in curbing the spread of nuclear weapons, in banning nuclear testing, and in strengthening environmental protection.

In addition, Hashimoto has an elaborate plan concerning the way for Japan to exert international influence in each region of the world and to expand Japan's political and economical interests. He has said, *"When I was finance minister, I already believed that the Asia-Pacific region is where Japan can make the greatest effort to do what accords with its own judgement. The United States and Latin America are areas where Japan's efforts must be based on the acknowledgement that the United States has the most authority. In Africa, the Middle East, and Eastern Europe, Japan can only have affect the international layout. Japan must also give further comprehensive consideration to the former Soviet Union region."*<sup>1</sup>

Regarding the United States, Hashimoto has always adhered to the diplomatic line that the Japanese-U.S. mutual security system is the foundation of the two nations' relationship, taking the Japan-U.S. relationship as its principal axis and assigning new context to the Japan-U.S. relationship in the new era. *His number one emphasis is on extending the Japan-U.S. principal axis function to one of global cooperation.* He notes that, "The world is currently experiencing labor pains as it

moves into the 21st century. The question of the Bosnian and Black Sea nationalities, regional conflicts and disputes in Russia and Eastern Europe, worldwide problems such as the spread of weapons of mass destruction, environmental concerns, poverty in developing nations, etc. In these world circumstances, Japan must treat the Japan-U.S. relationship as the principal diplomatic axis in handling various issues." In addition, he advocates Japan strengthen its cooperation with the United States in peacekeeping actions. *On the security issue he says there must be continued reliance on U.S. power, and on strengthening the Japan-U.S. military alliance.* Shortly after assuming his post, he emphasized repeatedly that Japan *"must recognize that Japan-U.S. relationship is an important factor in the Asia-Pacific region, and even for peace and stability worldwide."*<sup>2</sup> He also affirms the Okinawa military base question must be resolved as soon as possible. However, Hashimoto opposes excessive reliance on the United States, especially when he advocates strengthening its self-independent diplomatic force, claiming Japan "must stand on its own legs." He dares to say "no" to excessive U.S. demands. During last year's trade negotiations with the United States, he adopted a tough line to stand up to U.S. pressure, and his principles and spirit of practicality gained him the attention of the U.S. component at the talks.

*Turning his attention to Asia, he believes "Japan can be the center," maximizing its "leadership role" in a "region of responsibility."* He points out that while "of course Japan's principal diplomatic axis is the Japan-U.S. relationship, in the future this axis will expand to the entire Asia-Pacific region, including the United States, but especially Asia."<sup>3</sup> He believes the Asian region is special in its "diversity," and "only Japan can have insight into and understanding of this diversity and have appropriate responses; therefore it is Japan's role to take appropriate actions on important issues in accordance with this diversity. It is an important mission related to the global economy and security protection."<sup>4</sup> He suggests extending a diplomacy that "catches the Asian psychology," with the emphasis on "building a relationship of mutual trust with every nation." Since Japan has a history of invading Asian countries, he suggests that Japan must work hard to build up relationships of mutual trust with each of these countries. Besides extending financial assistance, Japan can also provide help in areas such as culture and education. From May 1993 to last September, prior to his election as chairman of the Liberal Democratic Party, he was president of the Japan Association for the Bereaved Families of the War Dead and on three occasions during that period he took part in worship services at the Yasukuni Shrine. He admits to Japan's invasion of China and its colonization of Korea, for

which he expresses his "regret and painful feelings; we will cooperate in each country's development." But he denies that Japan's rulers deliberately instigated the Pacific war, and opposes former Prime Minister Murayama's suggestion that the Diet accept Japan's responsibility for the war and avow "no more war." During the period he served as Liberal Democratic Party chairman, he repeatedly referred to his own experience and stated that "during the 15 years following my election to the Senate in 1963, I took part in the work of collecting the bodies of dead Japanese soldiers in the Asia-Pacific region. Our contacts with people in the mountains and rural parts of this region left me with the deep impression that the pain left by World War II is not yet gone from the memories of Asian people. Although agreements have been reached by governments, the problem is not resolved at the level of ordinary people...and I feel strongly that Japan must take action to discipline itself based on this reaction and consider the feelings of countless people in each nation." After he was named to the post of prime minister, he stated immediately that "Japan is determined there will be no reoccurrence of the disaster of war. We are willing to accept 'peaceful governance,' 'peaceful contributions,' and 'peaceful creations' as a basic tenet for accomplishing peace."

Hashimoto believes China is Asia's most important country, so he has given quite a bit of attention to the Japan-China relationship, and has paid several visits to China. When he was welfare minister, he came to China to pick up the remains of the Awa Maru and participated in the ground breaking ceremony for the Chinese-Japanese Friendship Hospital; as minister of transportation he came to Beijing to attend a conference of Chinese and Japanese Government members. As finance minister, in January 1991 he became the first Japanese senior official to pay a formal visit to China after the "June 4th" incident; on that occasion he participated in affirming a Japanese loan to China, which spurred Japanese-Chinese economic cooperation and Japanese civilian investment in China. At last year's meeting of the Asia-Pacific Economic Cooperation [APEC] in Osaka, as Japan's minister of trade, Hashimoto pointed out at a meeting with U.S. Trade Representative Kantor that APEC members believed it "lacked persuasive force" for the United States on the one hand demand that China conduct free trade and investment while at the same time disapprove the extension of most favored nation status to China. He demanded that the United States compromise on the issue.

As for Russia, starting with the demise of the Soviet Union, Hashimoto's stand has been a persistent demand for return of Japan's northern territory. After the

breakup of the Soviet Union, when some Western countries suggested and even demanded Japan extend some aid to Russia, Hashimoto adhered to his principle that return of the territory must be a prerequisite. Linking the territorial and economic aid issues, he has adopted a cautious attitude toward assistance to Russia. He also suggests including the Russian relationship into the overall foreign policy toward the Commonwealth of Independent States, for convenience of taking appropriate countermeasures. He says: "When it involves the northern territory question, Yeltsin has changed his approach to Japan several times; while the Japanese people are unhappy about this, we remain calm. Since the demise of the Soviet Union, our problem with Russia has become more significant. But we cannot just limit this to Russia: we must hold meaningful discussions with all the Central Asian nations of the former Soviet Union, including the Ukraine."<sup>3</sup>

#### Footnotes

1. JIMINTO GETSUKAN (JIYU MINSHU), August 1993.
2. "Talks With Cabinet Officers," published by the Japanese Cabinet, 11 January 1991.
3. "Declaration of Renewed Self-Confidence," speech by Ryutaro Hashimoto during his campaign for chairman of the Liberal Democratic Party, 1994.
4. Hashimoto, Ryutaro. *Nihon Zenkei* (Japan's Prospects). Japan Popular Publishing House, February 1993.
5. JIMINTO GETSUKAN (JIYU MINSHU), August 1993.

#### PRC: Zhang Wannian Receives DPRK Army Delegation

OW2905125796 Beijing XINHUA in English  
1226 GMT 29 May 96

[FBIS Transcribed Text] Beijing, May 29 (XINHUA)—Zhang Wannian, vice-chairman of the Central Military Commission, today met a delegation from the Korean People's Army led by General Chong Chang-yol, vice-minister of the People's Armed Forces of the Democratic People's Republic of Korea(DPRK).

The two sides held cordial and friendly discussions in Beijing and agreed to deepen the traditional friendships between the two countries and the two armies.

The delegation arrived in China on Tuesday. Lieutenant General Wu Quanxu, deputy chief of the general staff of the Chinese People's Liberation Army (PLA), met the delegation and hosted a banquet on Tuesday.

**Southeast Asia & Pacific**

**PRC: Malaysian Prime Minister Receives Zhu Rongji**

**OW2605015496 Beijing XINHUA in English  
1735 GMT 25 May 96**

[FBIS Transcribed Text] Kuala Lumpur, May 25 (XINHUA) — Malaysian Prime Minister Mahathir Mohamad and visiting Chinese Vice Premier Zhu Rongji today pledged to adopt practical measures to bring the cooperative relations between the two countries to a new level.

During a meeting here between the two leaders, Zhu, who described Mahathir as "an old friend" of the Chinese people, praised the Malaysian prime minister for making "important contributions" to the development of friendly relations between China and Malaysia.

The Chinese vice premier also noted that the Malaysian government led by Prime Minister Mahathir pursues a policy of independence and has scored remarkable achievements in the nation's development. On the international arena, the Malaysian government upholds justice and strives to defend the interests of the developing countries, Zhu said.

Zhu expressed satisfaction over the good relations between the two countries. Bilateral trade and economic cooperation has broad prospects in view of both countries' economic strengthen, the formation of the resources and the complementarity of their economies, he said.

He also told Mahathir that during his talks with Malaysian Deputy Prime Minister Anwar Ibrahim, they pledged joint efforts to bring to a new level the trade and economic cooperation and establish a long, stable and friendly relationship with the next century in perspective.

Mahathir said that the contacts and the exchanges of visits between the top leaders of the two countries play an important role in the development of bilateral relations.

Zhu conveyed Premier Li Peng's invitation to Mahathir to visit China again and the Malaysian prime minister said he was looking forward to making the visit this year.

Mahathir said his country is pleased to see China's tremendous achievements and wished China more successes on the road to becoming strong and prosperous.

The development of China is conducive to peace and development in the whole world and Southeast Asian countries in particular, he said, adding that Malaysia is ready to play its part in China's development.

Mahathir noted that It is wrong to contain China. Differences should be resolved through negotiations and consultations, he added.

He said friendly cooperation and economic exchanges have grown fast since the establishment of diplomatic relations between the two countries and both are benefiting from it. Malaysia hopes to see that the cooperative ties will be further enhanced, he said.

Mahathir also briefed Zhu about the idea of the Mekong River regional cooperation and development plan and of the Pan-Asian railways, and hoped China would support and take an active part in the projects.

Zhu said China takes a positive approach towards the development of the Mekong River region and the construction of the Pan-Asian railways, which will benefit all in the region and help in furthering the friendly and cooperative relations between China and ASEAN (the Association of Southeast Asian Nations).

The Chinese vice premier said China's economic development will not constitute any threat to the region and on the contrary it is conducive to the region's peace and development.

China enjoys good and friendly relations with Southeast Asian nations and will always be a good neighbor and trustworthy partner of ASEAN countries, he said.

Zhu said China supports any initiatives which are beneficial to the promotion of peace and joint development in the region.

**PRC: Zhu Rongji Returns From Malaysia 26 May**

**OW2605134196 Beijing XINHUA in English  
1236 GMT 26 May 96**

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Vice-Premier Zhu Rongji returned here today after concluding his successful official visits to Indonesia, Thailand and Malaysia.

Prior to the visits, Zhu attended the conference of Senior Economic Forum in the Indonesian capital.

Greeting the vice-premier and his entourage at the airport were Luo Gan, state councillor and secretary-general of the State Council; Wu yi, minister of the Foreign Economic Cooperation and Trade; Liu Huaiqiu, director of the Foreign Affairs Office of the State Council; Hu Guangbao, deputy director of the General Office of the Chinese Communist Party Central Committee, and Vice-Foreign Minister Tang Jiaxuan as well as diplomatic envoys of Indonesian, Thai and Malaysian embassies in the Chinese capital.

Those accompanying Zhu on his visit, including his wife Lao An, Deputy Secretary-General of the State Council Zhou Zhengqing, Financial Minister Liu Zhongli and Governor of the People's Bank of China Dai Xianglong, also returned on the same flight.

### Near East & South Asia

**PRC: Chi Haotian Leaves for Middle East 25 May**  
*OW2505053796 Beijing XINHUA in English*  
*0333 GMT 25 May 96*

[FBIS Transcribed Text] Beijing, May 25 (XINHUA) — General Chi Haotian, vice-chairman of China's Central Military Commission (CMC), State Councillor and defence minister, left here today for an official goodwill visit to Saudi Arabia, Kuwait, the United Arab Emirates and Egypt.

Chi's entourage includes his wife; Lieutenant General Xiong Guangkai, who is deputy chief of the General Staff of the People's Liberation Army (PLA); General Sui Yongju, political commissar of PLA's Second Artillery; and Lieutenant General Wu Guangyu, deputy commander of the Air force.

Chi was invited by Sultan Bin 'Abd-al-'Aziz, Saudi Arabian second deputy prime minister and minister of defence and aviation; Kuwaiti Minister of Defence Sheikh Ahmad al-Hamud Al-Jabir al-Sabah; the United Arab Emirates; and Egyptian Minister of Defence and Military Production Muhammad Husayn Tantawi.

Among those seeing Chi off at the airport were General Fu Quanyou, member of the CMC and chief of the PLA's General Staff and Li Shuwen, deputy secretary-general of the General Office of the State Council, along with diplomatic envoys of the four countries.

**PRC: Wu Bangguo on Policy Toward Gulf Region, Taiwan**

*OW2805051996 Beijing XINHUA Domestic Service in Chinese 1232 GMT 20 May 96*

[By reporters Pan Liwen (3382 4539 2429) and Jiao Yansheng (3542 3601 3932)]

[FBIS Translated Text] Abu Dhabi, 20 May (XINHUA) — Vice Premier Wu Bangguo of China's State Council, who is currently on a visit here, said peace and stability in the Gulf region should be jointly maintained by countries in the region, and China was willing to do its part for the region's peace and development.

At an interview on the evening of 19 May with Emirian and Chinese reporters, Wu Bangguo said: China and countries in the Gulf region have enjoyed friendly and cooperative relations for a long time. On the basis of

equality, mutual benefits, and mutual respects, China is willing to develop friendly and cooperative relations in all fields with countries in the Gulf region. China is concerned about the situation in the Gulf region, and calls for peacefully settling disputes between countries in the region on the basis of the UN charter and norms of international law. On the basis of thoroughly implementing relevant resolutions of the UN Security Council, problems left by the Gulf war should be solved as soon as possible, so that normal relations between countries in the region can be restored and peace and stability can be realized in the region at an earlier date.

Wu Bangguo emphatically pointed out: China's policy toward the Gulf region is: On the basis of the Five Principles of Peaceful Coexistence, to establish good relations of "equally treating each other, sincere friendship, cooperation in unison, and seeking common development" with countries in the region; on international affairs, to strengthen consultations and cooperation with countries in the region to jointly safeguard developing countries' interests; on the basis of equality and mutual benefits, to actively engage in extensive economic and trade cooperation in various forms to seek common development; and to work for peaceful solutions to regional disputes through consultations and dialogue. He pointed out that China does not have self-interests in the Gulf region, and that China sincerely hoped that the region will enjoy peace, stability, and development.

On the Taiwan issue, Wu Bangguo said: "Peaceful reunification and one country, two systems" is our long-held policy. The Taiwan issue is China's internal affair and foreign forces are not allowed to interfere in any way under any pretexts. China's not committing itself to denouncing the use of force is not aimed at Taiwan compatriots, but at foreign forces' intervention in China's reunification and at "Taiwan independence" plot. We will never allow Taiwan's status as a part of China to be changed, and China has the ability to safeguard its national sovereignty and territorial integrity.

Wu Bangguo also criticized and refuted the United States' criticism against China concerning the intellectual property rights issue.

**PRC: Minister Signs Railways Cooperation Accord With Iran**

*OW2805141796 Beijing XINHUA Domestic Service in Chinese 0248 GMT 16 May 96*

[By reporter Chen Ming (7115 6900)]

[FBIS Translated Text] Tehran, 16 May (XINHUA) — On 15 May in Tehran, Chinese Railways Minister Han

## INTERNATIONAL AFFAIRS

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30 May 1996

Han Shubin said that China is willing to cooperate with Iran and other nations along the Asia-Europe Continental Bridge line to add a new, positive role to the historically famous "Silk Route."

Han Shubin made the remarks after holding separate talks with Iranian First Vice President Habibi and Hashemi, Deputy President for Executive Affairs.

Both Habibi and Hashemi thanked the Chinese Government for sending a Han Shubin-led delegation to the ceremony marking commencement of operation of the Mashhad-Sarakhs-Tedzhen Railway that links Iran and Turkmenistan. They said that the Iranian Government treasured its friendship with China and would like to further develop friendly, cooperative relations in various fields between the two countries.

The 295-km Mashhad-Sarakhs-Tedzhen Railway, which opened to traffic on 13 May, links Iran's Mashhad and Turkmenistan's Tedzhen via the border town of Sarakhs.

During his visit, Han Shubin also signed the Sino-Iranian Memorandum of Understanding on Railway Cooperation with Iranian Roads and Transport Minister Torkan.

### **PRC: MOFTEC Minister Receives Kuwaiti Trade Group**

*OW2805071596 Beijing XINHUA in English  
0643 GMT 28 May 96*

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — China is satisfied with recent developments in Sino-Kuwaiti economic ties, and hopes that the two-way trade will be furthered.

This remark was made here today by Wu Yi, Chinese minister of foreign trade and economic co-operation [MOFTEC] during her meeting with Badr Mishari al-Humaydi, visiting president of the Kuwaiti Fund for Arab Economic Development.

The Sino-Kuwaiti trade volume reached 200 million US dollars last year, and Kuwait has set up several joint ventures in China, Wu said, adding that there is great potential for bilateral economic co-operation.

She noted that the preferential loan of about 500 million US dollars provided by the fund had supported China's economic development.

She also gave a briefing on China's current domestic economic situation, and its plan of developing the economy in backward central and western China, and expressed her hope that Kuwait would become involved in the economic development in those regions.

Al-Humaydi said that the fund would like to strengthen its co-operation with China, which has been satisfactory up to now.

### **PRC: Pakistani Prime Minister Receives CPC Delegation**

*OW2505155096 Beijing XINHUA in English  
1518 GMT 25 May 96*

[FBIS Transcribed Text] Islamabad, May 25 (XINHUA) — Pakistani Prime Minister Benazir Bhutto met here today a visiting Chinese delegation led by Li Chengren, deputy head of the International Liaison Department of the Central Committee of the Communist Party of China (CPC).

Benazir Bhutto said that since the establishment of the Pakistan-China diplomatic ties 45 years ago, the bilateral relationship has been developing smoothly. China is a friend trusted by Pakistan, she said.

She praised the role played by China in promoting peace and maintaining stability in the region, adding that she hoped China would play a more important role in international affairs.

The Pakistani prime minister reiterated her country's support for China's stand on the issues of Taiwan, Hong Kong and Tibet and expressed the hope that the two countries will further enhance their economic and trade relations and increase exchanges between the parties and peoples of the two countries.

At the meeting, Li Chengren reaffirmed the CPC's four principles governing inter-party relations: independence, complete equality, mutual respect and non-interference into each other's internal affairs.

He said the CPC has established friendly relations with Pakistan's main political parties, including the ruling Pakistan People's Party.

The relations between the CPC and Pakistan's political parties will be conducive to the enhancement of the traditional friendship of the two peoples, he said.

Li expressed his appreciation of Pakistan's support for China on the issues of Taiwan, Tibet, human rights as well as Hong Kong.

The CPC delegation arrived in Karachi on Monday [20 May] for a five-day goodwill visit at the invitation of the Pakistan Muslim League (PML) (J).

The delegation also toured Pakistan's major cities of Lahore and Peshawar and met with PML (J) President Hamid Nasir Chatta [name as received], Secretary General Iqbal Khan [name as received] as well as other government and PML officials.

### Sub-Saharan Africa

#### PRC: Jiang Chunyun Comments on Sino-African Ties

OW2405135996 Beijing XINHUA in English  
1154 GMT 24 May 96

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — Heads of Beijing's African diplomatic missions hosted a reception here today to mark the 33rd anniversary of the African Liberation Day, which falls on Saturday [25 May].

Chinese Vice-Premier Jiang Chunyun said at the reception that China is willing to reinforce consultation and co-operation with the Organization of African Unity [OAU] for the promotion of world peace and development and the interests of developing countries.

He noted that Chinese President Jiang Zemin has just concluded his six-nation African tour, where he met with heads of the six states, and secretaries-general of the OAU and the Arab League.

Jiang put forward five proposals on consolidation and development of long-term, stable, and co-operative Sino-African relations for the 21st century, he added.

The visit was significant in demonstrating the consistent policy of the Chinese government and the good wishes of the Chinese people for maintaining their friendship with the African states, Jiang said, and that it symbolized a new era for Sino-African ties.

China has always supported the struggle of African nations for independence and against foreign interference by providing financial aid and other help, the vice-premier said, and in turn thanked the African nations for their support of China on the Taiwan and human rights issues.

He also expressed appreciation for the role the OAU has played in Africa's political liberation, and in promoting peace, stability, and development of the continent.

Charge d'Affaires ad interim of Ethiopia Lissane Yohannes read a message from Meles Zenawi, the Ethiopian prime minister and chairman of the OAU, at today's gathering.

Others present were Qi Huaiyuan, president of the Chinese People's Association for Friendship with Foreign Countries, Zhang Deguang, Chinese vice-foreign minister; Jean Jacques Maurice, dean of the diplomatic corps and ambassador of Madagascar, and other African diplomats.

#### PRC: Li Lanqing Receives Guinean Presidential Envoy

OW2305144596 Beijing XINHUA in English  
1404 GMT 23 May 96

[FBIS Transcribed Text] Beijing, May 23 (XINHUA) — Vice-Premier Li Lanqing met here today with Raoul Joseph Louis Delawa, special envoy of Guinean President Lansana Conte.

Li expressed satisfaction with the friendly and co-operative ties between China and Guinea. "Sino-Guinean friendship has withstood the test of time and of changes in the international situation," Li said.

He said the Chinese government is willing to continue to push forward bilateral relations to a new phase of development together with the Guinean government.

Delawa conveyed President Conte's greetings to Chinese President Jiang Zemin and Premier Li Peng, and thanked China for its long-term support for and assistance to Guinea.

"Whenever Guinea encountered difficulties, China was the first to extend a helping hand," Delawa pointed out, and added that China's assistance has been sincere and without any preconditions.

Guinea and China have a fraternal and sincere friendship, and Guinea will always stand side by side with China, Delawa noted.

On the Taiwan issue, Delawa emphasized that the Guinean government firmly supports China's standpoint and believes that Taiwan is an inalienable part of Chinese territory.

"The Guinean government recognized the government of the People's Republic of China as the sole legitimate government of China, and it will never have official ties with Taiwan in whatever form," he stressed.

Li thanked the Guinean government for its clear-cut stand on the Taiwan issue, and for its support for China during the 52nd session of the U.N. Human Rights Commission.

He reiterated China's continued assistance and help to Guinea's economic development. "Guinea has rich natural resources and enormous development potential," he said, adding China will carry out multi-form, mutually-beneficial and friendly co-operation with Guinea.

The vice-premier asked Delawa to convey greetings to President Conte from Chinese President Jiang Zemin, Premier Li Peng and himself.

Delawa arrived here this morning on a three-day visit at the invitation of the Chinese government.

**PRC: Qiao Shi Meets With Kenyan Party Delegation**

*OW2205163496 Beijing XINHUA in English  
1414 GMT 22 May 96*

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Qiao Shi, chairman of the Standing Committee of China's National People's Congress (NPC), met with a visiting delegation from the Kenya African National Union (KANU), led by Moody Awori, a member of the Kenyan National Governing Council, here today.

Qiao said that the friendship between the peoples of China and Kenya has a long history, and bilateral relations have enjoyed smooth development and will see an even greater growth in the years to come.

Qiao mentioned that Chinese President Jiang Zemin was given a warm reception by President Daniel Arap Moi during his successful visit to Kenya on the first leg of his ongoing tour of six African nations.

China and Kenya are both developing countries which share identical or similar views on many aspects of international affairs, and they support and help each other on many international issues, Qiao noted.

The two countries can also learn from each other in promoting their economies, he said.

Qiao briefed the visitors on China's reform and opening up drive, stressing that all countries have the right to choose their own models of economic development according to their actual conditions.

The Kenyan people will certainly find a development path in line with their country's national characteristics, Qiao continued.

Awori said that the two countries have long maintained friendly relations of co-operation, and bilateral ties have witnessed rapid development in recent years.

The Kenyan people are grateful for the long-term support they have received from China and admire the great achievements that China has made in its reform and opening-up process, he noted.

KANU has learned a lot from the experiences of the Communist Party of China (CPC) and is eager to reinforce its links with the CPC, Awori told Qiao.

**PRC: Wu Bangguo Ends Visit to UAE 21 May**

*OW2505094496 Beijing XINHUA Domestic Service in Chinese 0640 GMT 22 May 96*

[By XINHUA reporters Pan Liwen (3382 4539 2429) and Jiao Yansheng (3542 3601 3932) and RENMIN RIBAO reporter An Guochang (1344 0948 4545)]

[FBIS Translated Text] Abu Dhabi, 21 May (XINHUA) — Wu Bangguo, vice premier of the Chinese State Council, this evening [21 May] ended his five-day visit to the United Arab Emirates [UAE] and left Dubai.

During his visit, Wu Bangguo had a long meeting with President Sheikh Zayid Bin-Sultan Al Nuhayyan. Wu Bangguo also held a formal talk with Deputy Prime Minister Sultan Bin-Zayid Al Nuhayyan. The two sides expressed satisfaction over the development of relations between the two countries since the establishment of diplomatic relations in 1984, and held discussions on how to further strengthen cooperation in economic, trade and other fields. The two sides also exchanged views on the Gulf situation and other issues of common concern, and reached common views on a wide range of issues.

Today, Wu Bangguo met respectively with Sultan, member of the Supreme Council of the United Arab Emirates and Sheikh of Sharjah, and Muhammed Bin-Rashid Al Maktum, crown prince of Dubai and minister of defense of the United Arab Emirates.

During the visit, Wu Bangguo and his party held discussions with people of business circles in Dubai and visited (Jiebula Ali) Free Zone there.

The United Arab Emirates is the last stop of Wu Bangguo's visit to the four Middle East countries. He had earlier visited Jordan, Syria and Yemen. Observers here are convinced that the visit by Wu Bangguo will further promote the development of relations between China and Arab countries.

**West Europe****PRC: Qian Qichen Meets European Parliament Delegation**

*OW2805131896 Beijing XINHUA in English  
1252 GMT 28 May 96*

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — Chinese Vice-Premier and Foreign Minister Qian Qichen this afternoon welcomed a delegation from the European Parliament in Beijing.

The delegation's mission is to discuss relations with China and is headed by Stefano Deluca. The two sides exchanged opinions on issues of common concern.

Extending a welcome to the European guests, Qian said that Sino-European relations date back to ancient times and the two sides enjoy different traditional cultures.

Under the new situation, both sides believe that it is necessary to enhance mutual understanding and bilateral relations through exchange visits and other contact, said Qian.

He pointed out that China adopts an independent foreign policy of peace while dealing with relations with countries all over the world.

He went on to say that after the Cold War, the two military blocs and the two super powers no longer exist, and China holds that the world should be a multipolar and diverse one, and regional economic cooperation should be furthered.

On human rights, Qian noted that all the countries in the world share common point while they are facing different problems and have different characteristics.

As to most developing countries, he noted, the priority is their people's rights to subsistence and development.

Touching upon economic and trade relations, Qian said that except Hong Kong, the European Union (EU) is China's third largest trade partner in the world, second to Japan and the United States.

There is great potential for economic and trade cooperation between China and the EU, said Qian, hoping for a strengthening of Sino-EU economic and trade relations.

Deluca said that the European Parliament attaches importance to its relations with China, advocating more exchanges and cooperation between the two sides.

The 16-member delegation arrived in China on Sunday at the invitation of the China-European Parliament Friendship Group.

**PRC: PLA Chief Holds Talks With Belgian Counterpart**

*OW2705122496 Beijing XINHUA in English  
1150 GMT 27 May 96*

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — General Pu Quanyou, chief of the general staff of the People's Liberation Army (PLA) of China, held talks here this afternoon with Willy Herteloir, chief of the general staff of the armed forces of Belgium.

The two exchanged views on developing the friendship and relations of cooperation between the two countries and armies as well as on other issues of mutual concern.

During the talks, Vice Admiral Herteloir extended his invitation to Pu to visit Belgium at his convenience.

Pu thanked his Belgian counterpart and accepted the invitation with pleasure.

Herteloir and his party arrived in Beijing this morning for an official friendly visit at Pu's invitation. This is the first visit by Belgian army chief since 1987.

**PRC: Beijing, Germany Sign Information Exchange Memorandum**

*OW2805035896 Beijing XINHUA Domestic Service  
in Chinese 0210 GMT 24 May 96*

[By reporter Hu Xudong (5170 2485 2639)]

[FBIS Translated Text] Bonn, 23 May (XINHUA) — Zhu Kaixuan, minister in charge of the State Education Commission, held talks with Juergen Ruettgers, Germany's minister for Education, Science, and Research, in Bonn on 23 May. They reached agreement on linking the two countries' educational and scientific research network to further enhance educational and scientific research cooperation and information exchange between the two countries.

Zhu Kaixuan and Ruettgers also signed minutes of the talks, entrusting the Chinese Educational and Scientific Research Network and the German Research Network Association with the task of working out concrete measures to carry out the networking. According to the minutes, the two nations' scientific research network will realize the networking in three stages within a three-year period. After a three-year period, further linking with the European scientific research network will be considered, providing both sides are satisfied with each other on the use of the network. This will help China realize the integration of its scientific research and educational information network with that of the world.

Both sides also expressed support for scientific cooperation between the colleges and scientific research institutes of the two countries. They also agreed to continuously increase exchanges between the two countries' college students and scientists by promoting existing and new cooperation between colleges and research institutes.

The two sides agreed that both countries share marked common traits in reforming higher education, particularly in the area of efficient handling of relations between the government and colleges. Therefore, they agreed that the continued carrying out of information exchanges, which began last year, has an important significance.

The two sides also mapped out cooperation details between China's Vocational Education Center Research Institute and Federal Republic of Germany's Vocational Educational Research Institute.

**PRC: Zhu Rongji Meets With German Delegation  
29 May**

*OW2905132896 Beijing XINHUA in English  
1311 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — China's Vice-Premier Zhu Rongji was told today that Germany's Prime Minister Helmut Kohl harbors friendly feelings towards China.

The expression of friendship came at a meeting in Beijing between Zhu and Michael Glos, chairman of the Group of Bundestag of Christian Social Union of Germany.

During the meeting at the Diaoyutai State Guest House in Beijing, Zhu extended a welcome to Glos and his party.

"I met with Mr Glos during my visit to Germany last February and I am pleased to meet again in Beijing," he said.

He said that during his last visit China and Germany reached a number of agreements which are now being implemented.

Glos said that Germany attaches great importance to its friendly relations with China. Mr Glos added that Premier Kohl had also expressed support and concern for German-Chinese ties.

This is Glos' seventh visit to China. "Every time I come here, I see many changes and developments," Glos said, adding that he is confident with the future of German-Chinese relations.

Glos and his party arrived in China Sunday on a 12-day visit to China at the invitation of the Chinese People's Institute of Foreign Affairs. He aims to become acquainted with China's latest political, economic and social developments.

The visit will also take him to Shanghai, Xian, Guilin and Guangzhou.

**PRC: Song Jian Begins Visit to Greece 28 May**

*OW2905044996 Beijing XINHUA in English  
1902 GMT 28 May 96*

[FBIS Transcribed Text] Athens, May 28 (XINHUA) — Song Jian, Chinese State Councilor and chairman of the state science and technology commission, arrived here this afternoon for a five-day visit at the invitation of the Greek ministry of development.

Song told Minister of Development Ministry Vasso Papandreou upon his arrival that China and Greece enjoys good cooperative relations in the field of science

and technology and hoped such relations would be further strengthened in the future.

During his stay here, Song is expected to meet with Greek Prime Minister Costas Simitis on Thursday [30 May], and hold separate talks with Vasso Papandreou and Minister of Agriculture Stephanos Tzoumaks.

He is also planning to visit the Greek research centre and the Athens academy of science.

**PRC: Zou Jiahua Meets With Norwegian Trade Minister 28 May**

*OW2805130796 Beijing XINHUA in English  
1248 GMT 28 May 96*

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — Chinese Vice-Premier Zou Jiahua held a meeting in Beijing today with Norwegian minister of Trade and Shipping Grete Knudsen.

China and Norway enjoy a good political and economic relationship, Zou said, adding that frequent high-level exchanges of visit between the two countries in recent years have promoted two-way friendly cooperation in all fields.

The vice-premier voiced his appreciation over the efforts made by the Norwegian government for the growth of Sino-Norwegian economic and trade relations.

China welcomes Norwegian enterprises to invest in the country, Zou told the minister.

Knudsen held that Norway and China share a good basis in their economic and trade cooperation. She expressed the belief that bilateral economic collaboration would be advanced through her current China tour.

Zou also briefed the Norwegian visitors on China's current economic development at their request.

Knudsen and her party are on a visit to China as guests of Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi.

**PRC: General Yu Yongbo Ends Visit to Portugal  
30 May**

*OW3005014296 Beijing XINHUA in English  
0117 GMT 30 May 96*

[FBIS Transcribed Text] Lisbon, May 29 (XINHUA) — Chinese General Yu Yongbo ended his three-day visit to Portugal today and flew back to China.

Yu met separately with Portuguese President Jorge Sampaio, Defense Minister Antonio Vitorino and Chief of the General Staff Fuzeta da Ponte, with both sides ready to strengthen contacts and cooperation.

Yu, a member of the Central Military Commission and director of the General Political Department of the People's Liberation Army, arrived here Saturday on the last leg of a four-nation tour which has taken him to Romania, Hungary and Spain.

**PRC: Talks With Swedish Trade Delegation Open in Beijing**

*OW2905161996 Beijing XINHUA in English  
1538 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — A trade delegation from Sweden opened talks today with the Beijing government on trade and investment opportunities.

Mats Hulth, Mayor of Stockholm, said that China has become Sweden's important trading partner, with Sino-Sweden bilateral trade reaching two billion US dollars last year.

More than 100 Beijing business people in urban construction, environmental protection, trade and industry circles took part in the trade talks.

The Stockholm delegation is made up of representatives from big companies such as ABB and Ericsson.

**PRC: UK's Heseltine Visits Shanghai 23 May**

*OW2305163896 Beijing XINHUA in English  
1610 GMT 23 May 96*

[FBIS Transcribed Text] Shanghai, May 23 (XINHUA) — British Deputy Prime Minister Michael Heseltine left here today for Zhuhai to continue his China tour.

Chen Jinhua, minister in charge of State Planning Commission, met with Heseltine and his party earlier today.

Yesterday evening, Shanghai Mayor Xu Kuangdi met with Heseltine and his party. Xu told Heseltine that Shanghai welcomes British business people to invest in his city.

During his stay here, Heseltine also toured Pudong New Area and discussed with local officials the possibility of British participation in the infrastructure construction there.

British entrepreneurs who are accompanying Heseltine on his visit also met with their Shanghai counterparts.

**PRC: Jiang Zemin, Heseltine View Bilateral Ties, Hong Kong**

*OW2405140596 Beijing XINHUA Domestic Service in Chinese 0553 GMT 24 May 96*

[By reporters Lu Jing (4151 0513) and Wang Yunfeng (3769 0061 1496)]

[FBIS Translated Text] Zhuhai, 24 May (XINHUA) — President Jiang Zemin met with British Deputy Prime Minister Michael Heseltine here this morning.

Jiang Zemin first welcomed Heseltine on his second visit to China after a year and expressed his appreciation for the positive role the latter had played over the years in restoring and improving relations between the two countries.

Heseltine recalled his many visits to China since 1973, saying that each of these visits had left a deep impression on him. He said that during his current visit, he had held very good talks with many Chinese leaders and had come to realize the bright prospects for economic cooperation and trade between the two countries. He expressed the hope that British-Chinese relations in various fields would continue to improve and develop.

Jiang Zemin said: Although Britain was one of the earliest Western countries to establish diplomatic relations with China, Sino-British relations witnessed some difficulties in recent years for reasons known to all. Thanks to the joint efforts of both sides, relations between the two countries have shown some improvement recently. We are glad to see this. Jiang Zemin said: "We believe that long-term, stable friendship and cooperation between China and Britain can only be built on a long-term and future-oriented perspective, mutual respect, and increased cooperation. The leaders of the two sides, therefore, should view and handle Sino-British relations, including the Hong Kong issue, from a strategic viewpoint, a global perspective, and the angle of the 21st century."

Jiang Zemin also said that Deputy Prime Minister Heseltine was traveling with a large business delegation, whose members had made contacts with people in Chinese business circles. He said that the prospects for Sino-British economic cooperation and trade are good.

"On the Hong Kong issue, Jiang Zemin said: The Hong Kong issue is a matter of great importance to both China and Britain. Both sides should maintain the current momentum in cooperation. [quotation marks as received]

Jiang Zemin reiterated: After the resumption of the exercise of sovereignty over Hong Kong, the Chinese Government will, as always, act strictly in line with the

Sino-British Joint Declaration, unwaveringly implement the principle of "one country, two systems," and let "the people of Hong Kong govern Hong Kong" with "a high degree of autonomy" in the Hong Kong Special Administrative Region. This is by no means an expedient measure, but is a basic policy that China implements in a bid to realize the reunification of the motherland and achieve national prosperity.

**Heseltine said:** There is only one year left before China resumes the exercise of sovereignty over Hong Kong. In the past, Britain and China settled some problems very well. Although there are still some difficulties and differences, the British Government believes that close cooperation between Britain and China on the Hong Kong issue will help develop the two countries' overall relations. Ensuring a smooth transition in Hong Kong and maintaining Hong Kong's prosperity and stability are in the fundamental interests of Britain and China. The British side, therefore, wishes to join hands with the Chinese side and continue to adopt a constructive attitude in seriously discussing and settling existing problems so as to ensure a smooth transition in Hong Kong.

**PRC: Heseltine Says Visit 'Extremely Constructive'**  
**OW2405110196 Beijing XINHUA in English**  
**0946 GMT 24 May 96**

[FBIS Transcribed Text] Hong Kong, May 24 (XINHUA) — British Deputy Prime Minister Michael Heseltine said here today that his visit to China was extremely constructive.

Heseltine, who led a large delegation of British industrial and commercial leaders to China early this week, arrived in Hong Kong after meeting with Chinese President Jiang Zemin in Zhuhai this morning.

"The visit is one that has built on the optimism that I have always felt towards the future of Hong Kong and now on the continued improvement between the relationship of the United Kingdom and China," he said.

He said that the conclusion he drew from the discussions in the past few days with leaders of China is to reinforce the faith that he has always had that China and the United Kingdom have an identity of interest in the continued success of Hong Kong after July 1997.

He said that leaders of China have expressed their wish to see the success of Hong Kong continued after 1997, and the interests of Britain are also to secure the stability and prosperity of Hong Kong. As a result, there will evidently be continuing negotiations, he added.

Heseltine also said the two sides sometimes do not agree, for example, on the issue of the Legislative Council.

"We have to manage that issue in a constructive way, because solutions have to be found for the future decision making processes. We will certainly adopt the necessarily constructive approach to all negotiations that will take place between now and 1997," he said.

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**PRC: Jiang Zemin Returns to Beijing From Africa Trip**

*OW2405112496 Beijing XINHUA in English  
1103 GMT 24 May 96*

[FBIS Transcribed Text] Beijing, May 24 (XINHUA) — Chinese President Jiang Zemin returned here this afternoon by a special plane, after concluding a state visit to Kenya, Ethiopia, Egypt, Mali, Namibia and Zimbabwe, and a stop-over in south China's Zhuhai city, one of China's special economic zones.

Jiang and his party were greeted here at the Great Hall of the People by Premier Li Peng, Chairman of the Standing Committee of the National People's Congress Qiao Shi, Chairman of the National Committee of the Chinese People's Political Consultative Conference Li Ruibuan, Vice-Chairman of the Central Military Commission Liu Huqing, Vice-President Rong Yiren, and State Councillor and Secretary General of the State Council Luo Gan.

Special Assistant Zeng Qinghong, Minister of Public Security Tao Siju, Minister of Foreign Trade and Economic Cooperation Wu Yi, Special Assistant Teng Wensheng, Assistant Foreign Minister Ji Peidong, Special Assistant You Xigui and other members of Jiang's entourage arrived here aboard the same plane.

Jiang was also greeted at the Great Hall of the People by diplomatic envoys of the six African countries and chief representative of the League of Arab States in China.

**PRC: Public Security Reportedly Fear Bao Tong To Rally Followers**

*HK2805071696 Hong Kong SOUTH CHINA MORNING POST in English 28 May 96 p 9*

[By Willy Wo-Lap Lam]

[PTS Transcribed Text for FBIS] State and public security personnel are trying to ensure that released cadre Bao Tong will not regroup the liberal followers of ousted party chief Zhao Ziyang. Security personnel still keep tabs on the activities of members of the now-defunct Political Reform Office of the Communist Party Central Committee, set up by Mr Zhao and headed by Mr Bao.

Informed sources said the leadership of President Jiang Zemin feared Mr Bao, 64, might spearhead another liberal movement in the party by playing up the prestige of Mr Zhao.

Former friends of Mr Bao, however, have indicated that most of the followers of Mr Zhao, including members

of the Political Reform Office, have at least temporarily left politics.

"Members of the Political Reform Office and other Zhao think-tanks occasionally have dinners together, but they talk more about business than politics," a political source said.

Gao Shan, Mr Bao's deputy at the reform office, works in a large Beijing based consultancy.

Political scientist Wu Jiaxiang, who was imprisoned for two years after the June 4, 1989, massacre has gone into trading.

Two other Bao colleagues who have been successful in business include Cao Yuanzheng and Chi Fulin, who also heads a reform research institute in Hainan Island.

The political source said none of these former thinkers and activists had any intention of leading any political opposition.

However, it is believed advisers to Mr Jiang have warned of the destabilising effect of the associates of Mr Zhao and Mr Bao.

Both leftist ideologues and state security personnel have warned that activist turned-businessmen could use their wealth to finance a democracy movement.

Mr Zhao, 76, continues to suffer respiratory and other health problems. To prevent him from "making trouble" in Beijing and as a sign of magnanimity, Mr Jiang has allowed Mr Zhao and his wife to travel more frequently to southern and southwestern China.

A Western diplomat said Mr Zhao had been asked by a senior party elder to write a history on the reform movement. The former party chief reportedly answered: "I won't write anything as long as Bao Tong is in jail."

The diplomat said while Mr Zhao continued to follow current events avidly, it was doubtful whether he believed he could make a comeback.

**PRC: Editorial Views Release of Bao Tong**  
*HK2805085096 Hong Kong EASTERN EXPRESS in English 28 May 96 p 12*

[Editorial: "Actions Speak Louder Than Words For China"]

[PTS Transcribed Text for FBIS] The Chinese authorities turned a page yesterday. But have they ended the chapter? Have they taken an important step to erase the nightmare of June 4 1989?

These questions arise in the wake of China's decision to release Bao Tong, the most senior Communist Party

official imprisoned in the crackdown on the 1989 pro-democracy movement.

Beijing would probably like to close the chapter on Tiananmen: Many years ago, in a wistfully pensive moment, Chairman Mao wrote: "The trees want still, but the winds will not subside." Beijing officials probably feel the same way about what has been happening in China in the seven years since the Beijing crackdown. The trees (the authorities) want still, but the wind — in the form of dissidents' statements and overseas reactions—will not subside.

In effect, the communist government has been telling the dissidents: "If you remain silent we won't punish you any more."

It may be significant that Bao Tong's sentence included deprivation of political rights, including the right to speak out, for two years after his release.

So why did they release him at this sensitive time — just a few days before the seventh anniversary of Tiananmen? The answer to that question is that he was not allowed to return home and was instead taken to a police-guarded compound in Beijing's western suburbs. He has been told that he will be sent home eight to 10 days after the anniversary.

Beijing officials are understandably anxious to keep Bao under wraps for as long as possible. He will remain under surveillance for some time yet, and it is extremely unlikely he will ever be allowed to leave China.

In addition to being the top aide to reformist party chief Zhao Ziyang, Bao was political secretary to the centre of power in China — the Politburo. He played a key part in pushing China's market-oriented reforms through the 1980s. Having been involved in top-level decision-making, Beijing may consider that he knows far too many secrets.

He was originally sentenced to seven years in prison on charges of leaking state secrets, counterrevolutionary propaganda and agitation. He was accused of carrying messages to the dissidents, including a warning about the impending declaration of martial law and forced resignation of Zhao.

His real "crime", however, may have been to represent the faction of the ruling party which lost a power struggle in 1989. From the viewpoint of the party, he and his boss, Zhao Ziyang, made some fatal mistakes at that time.

There is reason to believe that Zhao Ziyang was the real target. The party was anxious to undermine Zhao to ensure that he would not be able to make a political comeback in the future.

The government may also have been afraid that Bao himself might prove to be a rallying point for dissidents at this sensitive time. This may explain why he was released but not allowed to return home immediately.

China has said it wants to introduce the rule of law. The decision to release Bao now that he has served his full seven-year term complies with the rule of law, at least ostensibly.

His treatment from now on will be a test of China's sincerity.

China can afford to be magnanimous. Seven years after the bloody suppression of the pro-democracy movement, China today is a far more pragmatic and economically focused country.

The issues that split the party in those days appear to be fading. Beijing also is adopting a tougher stance on corruption, something that was demanded by the students in 1989. A page has been turned, even if the chapter has not been ended.

#### PRC: Zhejiang Dissidents Urge Reassessing '4 June'; Two Detained

**HK3005051296 Hong Kong SING TAO JIH PAO in Chinese 30 May 96 p A2**

[Report by special correspondent Wei Kuo (7614 6665): "In an Open Letter to the NPC, Zhejiang Dissidents Call for Reversing the Verdict on the 4 June Incident"]

[PTS Translated Text for FBIS] On the eve of the seventh anniversary of the "4 June" incident, Wang Donghai and other dissidents in Zhejiang wrote an open letter to the National People's Congress [NPC], calling for a reversal of the verdict on the "4 June" incident and the release of political prisoners. The China Human Rights Organization appealed to the international community, and the summit of the seven major industrialized countries due to open in June in particular, to support the dissidents' just demands.

On 27 May, a number of dissidents in Zhejiang published a jointly signed letter to the NPC Standing Committee. The open letter first pointed out that increasingly rampant corruption has become unscrupulous and unbearable. It constitutes the principal factor affecting social stability. The corruption gives play to the corrupt system and the basic reason lies in the lack of a mechanism of checks and balances regarding the powers of officials and a lack of supervision by the media. The old system is incompatible with the new market economy. The "4 June" tragedy precisely called for punishment for corrupt officials and political restructuring. Therefore, Wang Donghai and other dissidents, in

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line with the Chinese Constitution, which stipulates that "Chinese citizens have the right to make suggestions to the NPC," called on the NPC Standing Committee to reassess the "4 June" incident and the 1989 pro-democracy movement. They raised five specific demands: That Wei Jingsheng, Chen Ziming, Wang Dan, Liu Nienschun, Hu Shigen and other political and religious prisoners be unconditionally released; that a committee be organized by the NPC in accordance with Article 71 of the Constitution to investigate the "4 June" incident and the findings be published; that any actions taken in the incident in violation of the Constitution and the law be investigated and the responsibility be affixed; that the government make an open apology to the people nationwide for the incident and provide comfort and compensation to the victims; and that the government and representatives of all social sectors call a round-table conference to effect freedom of the press and of speech and to institute orderly and gradual political restructuring.

Those signing the open letter were Wang Donghai, Chen Longde, Wu Gaoxing, Mao Guoliang, Ye Wenxiang, Fu Quan, and Zhao Wanmin. They are all famous dissidents in Zhejiang. Once the letter was published, the police took action against Wang Donghai and Chen Longde and took them away in turn. Wang Donghai's father told this reporter that he had met with his son in the street at 1500 on Tuesday. His son told him that he was going to see a friend, but did not return home that day. He did not know that his son had been arrested until he was brought back to his home by two policemen to carry out a search.

The police told him: "Your 49-year-old son has been arrested for 'engaging in illegal activities.'" But they did not say when he would be released.

Chen Longde's father said three policemen came to his home to seize his son and whisk him away at about 1400 on Tuesday.

**PRC: Police Detain 2d Dissident in Wake of Petition**  
**OW2905120896 Hong Kong AFP in English**  
**1138 GMT 29 May 96**

[FBIS Transcribed Text] Beijing, May 29 (AFP) — Police have detained two Chinese dissidents days after they sent a petition to the national parliament demanding the release of political prisoners and a re-assessment 1989 pro-democracy movement, family members said Wednesday [29 May].

The fathers of Wang Donghai and Chen Longde, both of whom declined to give their full names, said their sons were picked up Tuesday afternoon in Hangzhou in the eastern province of Zhejiang, but were unclear about

the fate of the remaining five dissidents who signed the document.

"I saw my son in the street at around 3:00 p.m. on Tuesday. He said he was going to meet some friends, but then he disappeared. I did not see him again until about 10:00 a.m. This morning when two policemen came to my house with him," Wang's father said by telephone from Hangzhou.

The officers gave Wang's father a formal notice of his 49-year-old son's detention saying he had been picked up for "illegal activities," but gave no indication of when he would be released.

The father of Chen, 36, said three policemen had come to the family home at about 4:00 p.m. Tuesday and taken his son away, before also returning Wednesday morning with the formal notice of detention.

He said his son was suffering from bronchitis.

The detentions come just days after Wang, Chen and five other dissidents from Zhejiang sent a petition to the National People's Congress (NPC) with five demands, including the immediate and unconditional release of political prisoners such as Wei Jingsheng, Chen Ziming and Wang Dan. It also called on the NPC to set up an inquiry into the events of June 4, 1989 and said the government should make a public apology for the shooting of hundreds of unarmed demonstrators in addition to compensating the families of victims who died in the massacre.

Wang and Chen spent two and three years respectively in prison after the suppression of the pro-democracy movement.

Wang's father said that before coming to his house, the officers had taken his son to his own home to conduct a search.

The dissident's wife Cheng Yunhui, who was at work at the time of Wang's detention, said that when she returned home Wednesday evening "the place was in a mess."

Her husband's bed cover was missing, while books on the table appeared to have been rifled through, she said.

**PRC: Police Detain Dissident After Delivery of Petition**  
**OW290512696 Hong Kong AFP in English**  
**1115 GMT 29 May 96**

[FBIS Transcribed Text] Beijing, May 29 (AFP) — Police have detained Chinese dissident Wang Donghai days after he sent a petition to the national parliament demanding the release of political prisoners and a

re-assessment of the 1989 pro-democracy movement, family members said Wednesday [29 May].

Wang's father, who declined to give his full name, said his son had gone missing Tuesday afternoon in the eastern city of Hangzhou.

"I saw my son in the street at around 3:00 p.m. on Tuesday. He said he was going to meet some friends, but then he disappeared. I did not see him again until about 10:00 a.m. This morning when two policemen came to my house with him," he said by telephone from Hangzhou Wednesday.

The officers gave Wang's father a formal notice of his 49-year-old son's detention saying he had been picked up for "illegal activities."

#### **PRC: Xinjiang, Tibet Intensify Efforts To Curb Separatists**

*HK3005042896 Hong Kong SING TAO JIH PAO in Chinese 30 May 96 p A2*

[Consolidated report] by reporter Tan Hsu-jui (6223 2700 6904); "As Assassinations and Terrorist Activities Are Frequent in Xinjiang and Tibet, All Units Are on Emergency Alert"]

[PTS Translated Excerpt for FBIS] Both Xinjiang and Tibet have stepped up efforts to crack down on separatist activities. Xinjiang has issued an order strictly controlling border areas to prevent terrorists from smuggling weapons from central Asian countries into China. West Tibet has warned separatists to surrender as soon as possible, and ordered that terrorist separatists who carry out assassinations, bombings, and other violent activities must be severely punished.

A Xinjiang Government official disclosed: It has been ordered that all work units in Xinjiang must be prepared at all times to meet any emergency. Religious control over Muslim areas has been tightened, including the banning of the establishment of new mosques. Leaders of the autonomous regions have taken great pains to investigate a series of assassination cases, in which local cadres and Islamic scholars who support the government were the main targets of assassination.

An official from Kashi said: A 73-year-old vice chairman of the Xinjiang Chinese People's Political Consultative Conference was wounded in an attack on 10 May. He is still hospitalized, but his condition is satisfactory. It is said that the assailant has been arrested.

It is understood that since February an underground Muslim separatist organization in Urumqi has killed six or seven people and wounded four others.

Another official indicated that certain people have used religion to launch illegal activities and have killed influential religious figures using home-made bombs and rifles. [passage omitted]

#### **PRC: Public Security Inspection Results Show 'Grim' Situation**

*OW2905113096 Beijing XINHUA Domestic Service in Chinese 1228 GMT 28 May 96*

[By reporter Zhang Sutang [1728 1372 1016]]

[FBIS Translated Text] Beijing, 28 May (XINHUA) — The Central Committee for Comprehensive Management of Public Security recently carried out checks on the comprehensive management of public security work in 11 provinces, autonomous regions, and municipalities. The check results show that because of the importance attached by local party and government leaders to the comprehensive public security management work, the development of the comprehensive public security management work has gained excellent momentum; measures for comprehensive management of public security are being implemented step by step, particularly the guidelines set forth at the National Work Conference on the Comprehensive Management of Public Order in Rural Areas in 1994 have been generally implemented; marked results have been achieved in the comprehensive public security management work in rural areas; situation in public security in rural areas has been stable; some villages and townships have ended the state of confusion in public security; and the people's sense of security has been enhanced, thanks to the gradual turn for the better of the situation in public security.

In June 1994, the Central Committee for Comprehensive Management of Public Security called the National Work Conference on Comprehensive Management of Public Security in Rural Areas to make arrangements for managing public security in rural areas and for promoting the comprehensive management of public security in rural areas. To check the implementation of the guidelines set forth at that conference, the committee dispatched 11 inspection teams during the end of 1994 and during the first quarter of 1995 to 11 provinces. This April, 11 inspection teams, formed by the committee and personnel on loan from relevant departments, conducted inspections in Heilongjiang, Shanxi, Inner Mongolia, Ningxia, Jiangsu, Hunan, Guizhou, Fujian, Gansu, Qinghai, and Beijing. The inspection teams, adopting various inspection methods including hearing briefings, holding discussions, carrying out spot checks, and conducting secret checks, strove to accurately grasp the real conditions of the comprehensive management of public security in various localities. They also discussed with

local cadres to work out measures to deepen the comprehensive public security management work with local cadres and the masses.

During today's briefing, various inspection teams reported their findings in various localities. They noted that there has been better implementation of the leadership responsibility system, which was formulated by the committee, on comprehensive public security management, that all levels of party committees and governments have begun to attach greater importance to the comprehensive public security management, that major party and government leaders have developed a deeper awareness for assuming overall responsibility regarding public security issues, and that a more flexible system to implement the leadership responsibility system has taken shape. Localities persist in enforcing the "one-vote-veto" system; they strictly enforce the award-and-penalty system, which is an integral part of the leadership responsibility system. Inspection teams claimed that the implementation of the leadership responsibility system for comprehensive public security management has brought about changes in the mentality of many party and government leaders regarding the comprehensive public security management work; in the past, those leaders said: "I was asked to do it;" now they say: "I am going to do it myself." Practice has shown that the responsibility system is an indispensable encouragement system for doing well the comprehensive public security management work and in helping to maintain social stability.

During the inspection, the inspection teams concentrated on checking efforts made by some rural areas to end confusion in public security in their areas. They reported the initial results achieved by localities in managing public security in rural areas and the great change for the better in the outlook for areas previously known for chaos in public security. In summing up the experience of the comprehensive public security management work, the inspection groups asserted that localities have, through their concerted efforts to manage public security, been able to pinpoint major points, set clear targets, pool all forces, and adopt concrete measures. A number of criminal gangs were knocked out and a number of local bullies harshly punished in the major public security management drive, thereby promoting the healthy trend and justice. The building of local grassroots organizations has been further strengthened. There has also been improvement in the building up of the grassroots' comprehensive public security management network.

Stepping up control of the transients is also a major task in the current inspection drive. Inspection teams found that localities have conscientiously relayed the guidelines set forth at the National Work Conference on the

Management of the Transients; organized departments to carry out investigation of transients in their localities; set up special leading bodies and working-level organs; formulated regulations and procedures on enhancing management over transients, thus heralding the beginning of a situation where all are involved in jointly managing public security. At the same time, localities have gained a lot of successful experiences and achieved initial results in enhancing management over transients.

The inspection teams also noted the unbalanced development in the current work of comprehensive management of public security, saying that as the security situation remains grim, there is a need to carry out an in-depth "severe crackdown" drive, enhance the infrastructure construction of grassroots units in comprehensively managing public security in a down-to-earth manner, and comprehensively implement measures related to comprehensive public security management. Also during the 28 May briefing, the inspection teams advanced views and suggestions for improvement to help solve existing problems in localities. Persons in charge of relevant units under the Central Committee for Comprehensive Management of Public Security attended the briefing.

#### PRC: Inspection Finds 'Serious' Tax Evasion Among Enterprises

OW2905115896 Beijing XINHUA Domestic Service in Chinese 0245 GMT 19 May 96

[By reporter Suo Yan (4792 4282)]

[FBIS Translated Text] Beijing, 19 May (XINHUA) — The findings of the 1995 general financial and taxation inspection recently released by the Finance Ministry show that tax evasion is rather serious in enterprises and institutions in our country. Of the 22.693 billion yuan uncovered in cases of discipline violations, 16.577 billion yuan were from unpaid taxes. This represents a 5-percent increase over the previous year.

Although our country has conducted general financial and taxation inspections for 10 consecutive years, the financial and taxation order is far from reassuring. According to statistics, of the 1,683,600 enterprises and institutions investigated on a selective basis last year, 771,300 were found to have violated discipline. Nearly half of the 410,000 state-owned enterprises investigated on a selective basis were found to have violated discipline, and 12.8 billion yuan involved in discipline violations were uncovered in those enterprises. According to relevant definitions in the tax law, most of the violations of fiscal and economic discipline committed by state-owned enterprises fall within the category of tax evasion.

A responsible person at the Finance Ministry analyzed: Besides factors such as unsound supervisory and control mechanisms, ineffective work, and lax law enforcement, the most important cause of widespread violations of financial and taxation laws and discipline in our country's financial and economic spheres — some of them are very serious breaches — is the weak legal sense of some enterprises and institutions that is manifested in their failure to observe laws, decrees, and prohibitions and in the way they take tax evasion lightly.

**PRC: Wen Jiabao Discusses Stability, Economy in Xinjiang**

*OW2905141896 Beijing XINHUA Domestic Service in Chinese 0924 GMT 21 May 96*

[By XINJIANG RIBAO reporter Shi Jian (4258 1017) and XINHUA reporter Li Dadong (7812 1129 2639)]

[FBIS Translated Text] Urumqi, 21 May (XINHUA) — During his recent inspection tour of Xinjiang, Wen Jiabao, CPC Central Committee Political Bureau alternate member and CPC Central Committee Secretariat member, pointed out: It is of paramount importance that we maintain and improve upon the favorable situation in rural areas; promote rural economic development, growth in peasants' income, and social stability in the countryside; and complete all tasks related to rural areas, if we want to ensure sustained, rapid, and healthy national economic development and maintain social stability across the country.

Accompanied by Wang Lequan, Xinjiang Uygur Autonomous Regional Party Committee secretary, Wen Jiabao inspected Xinjiang's Kashi Prefecture, Kizilsu Kirgiz Autonomous Prefecture, Hotan Prefecture, and Bayingolin Mongol Autonomous Prefecture from 13 to 21 May, and expressed sympathy for earthquake victims in Jiashi County and Artux City on behalf of the party Central Committee and the State Council. He called on petroleum workers at Tarim and cadres and people in reclamation areas affiliated with the Xinjiang Production and Construction Corps. During the inspection, Wen Jiabao fully affirmed the tremendous achievements of party committees and governments at all levels in Xinjiang in safeguarding ethnic unity, the unity of the motherland, and social stability, and in leading cadres and people of all ethnic groups to develop the economy. He also expressed his views on Xinjiang's future agricultural development and work in maintaining social stability.

Wen Jiabao pointed out: Xinjiang abounds in natural resources and has vast potential for agricultural development. Specifically, grain production, cotton growing, and animal husbandry have broad prospects for devel-

opment. The state has decided to build China's largest cotton production base in Xinjiang. This represents an arduous task for cadres and people in Xinjiang and provides a good opportunity for economic development in rural Xinjiang. We should make overall plans for all tasks related to the construction of the base while keeping Xinjiang's actual conditions in mind. Besides working out specific measures for increasing cotton output, we should also consider drawing up supplementary measures regarding procurement and marketing, storage, transportation, and processing, so as to build a cotton production base in Xinjiang that will yield stable, high output of fine-quality cotton over the long term.

Wen Jiabao stressed: Grain production is of special importance to Xinjiang. Xinjiang's economic development is inextricably linked to stable growth in grain output. We should make farming more intensive and actively develop grain production through comprehensive agricultural development and the promotion of applied farming technology. There is also vast potential for the development of animal husbandry in Xinjiang. Besides improving grassland in pastoral areas to graze more animals, we should make overall use of agricultural by-products to vigorously develop animal husbandry in farming areas. Besides increasing meat supplies and peasants' income, this will provide large quantities of manure for agriculture and promote sustained agricultural development.

Wen Jiabao said: Both the construction of a cotton production base and the development of grain production and animal husbandry are inextricably linked to the construction of water conservancy facilities. The construction of such facilities is the key to Xinjiang's agricultural development. While the construction of some large water conservancy facilities is essential for easing water shortages, the adoption of water-saving irrigation methods is more important. To use our existing water resources more efficiently, we should mobilize the masses to help improve water utilization rates and irrigation returns by seepage-proofing irrigation ditches and adopting other water-saving measures.

Wen Jiabao pointed out: We must maintain social stability in rural areas if we are to develop the rural economy and complete all tasks related to rural areas. This is an important aspect of our party's overall plans for work in rural areas, as well as an important guarantee for accomplishing all tasks related to rural areas. Along with the current "crackdown" on crime, we should mete out stiff punishment in accordance with the law to criminal elements who seriously jeopardize public order and further improve all facets of public order in rural areas, so that the law-and-order situation in rural areas will take a noticeable turn for the better.

and the vast numbers of peasants will live and work in peace and contentment and concentrate on developing production. He said: Maintaining social stability is especially urgent and important in Xinjiang. People of all ethnic groups in Xinjiang should raise the banner of safeguarding ethnic unity and the sanctity of the law, and resolutely fight against a handful of ethnic separatists and various serious criminals so as to ensure the smooth development of economic construction and other undertakings in Xinjiang.

Accompanying him on the fact-finding trip were Duan Yingbi, deputy director of the Central Financial and Economic Leading Group office, and Zhang Heng, Xinjiang Uygur Autonomous Regional Government vice chairman.

**PRC: State Council To Draft Film Regulations; Revise Mineral Law**

*OW2905161896 Beijing XINHUA in English  
1539 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — China's State Council today adopted in principle a draft revision of a law governing mineral resources, which will be submitted to the Standing Committee of the National People's Congress for examination.

The Law on Mineral Resources went into effect in 1986 but some of its clauses have become outdated with the on-going establishment of a market economy.

One of the changes is related to the approving of privately-owned mining companies and foreign investments in the field of mineral resources, and the right to impose administrative punishments for infringements.

The State Council also decided today to make regulations on film management.

Sources said that the draft film regulations stresses that making, importing, exporting, distributing and showing films must be in line with serving the people and socialism.

The film regulations clarify arrangements on the issue of licenses and the protection of intellectual property rights.

**PRC: CPC Central Committee Targets Housing-Related Corruption**

*OW2605140896 Beijing XINHUA in English  
1301 GMT 26 May 96*

[FBIS Transcribed Text] Hefei, May 26 (XINHUA) — Corruption in public housing in China is one of the major issues to be tackled under anti-corruption efforts, a leading official has declared.

Hou Zongbin, vice-secretary of the Communist Party of China Central Commission for Discipline Inspection, said the practice of housing-related corruption by leading officials has not been curbed in some areas over the past few years.

In order to improve the implementation of the party's policies and decisions on leading officials and the way they carry out housing tasks, the Central Committee has decided to act.

Hou said the commission has made the decision to list the housing issue as one of the important elements to ensure that leading officials are clean and honest.

Under the decision leading officials at county level and above who have improved their own housing situation by using their power will be dealt with.

The decision also calls for tough measures to curb the practice of officials taking advantage of their own power to get better housing.

Hou made the statement during a tour of investigation of Anhui Province, which ended today.

"Leading party and government officials at all levels should understand the importance of solving the issue from the point of politics, and must unify their thoughts and do a good job in tackling the issue with high sense of political responsibility," he added.

Leading officials with serious involvement in housing-related corruption who refused to correct their mistakes will be dealt with severely, he said.

During the next two months, the Central Commission for Discipline Inspection will dispatch inspection groups to investigate the issue in some provinces, cities and autonomous regions.

**PRC: North America Beam Airs 3d Serial Report on Orphanages**

*OW2705113996 Beijing China Radio International in English  
to Western North America 0400 GMT 23 May 96*

[From the "Current Affairs" program:]

[FBIS Transcribed Text] In this third part of our series on China's orphanages, we will visit a Tianjin welfare institute. Many foreign volunteers work there to help meet the special needs of children. We will talk with some of them and get their opinions about working in a Chinese orphanage. Let's follow our guide, Xiao Hong.

[Begin recording] [Xiao] Among the 210 orphans living in the Tianjin Welfare Institute, 204 have some very special needs. They suffer from birth defects, mental

disorder, and serious illnesses. Seventy of the children are bed-ridden. Taking care of them is anything but easy. Teacher Wang Wen-lin has been working here for over 30 years. She even spends her holidays here.

[Wang, in Mandarin fading into English translation] It requires a lot of patience to work here. For example, there are some babies with cleft palates. Ordinarily, simple things like feeding them a bottle of milk is really a difficult process. But I don't care about all these difficulties. As a mother, I know these orphaned children need more love and care.

[Xiao] The Chinese teacher says that one thing that encourages her and her colleagues most is that many people not otherwise connected to the institute volunteer their own time to help out. A number of these are foreign volunteers. Edith Daniel from the United States tells us why she likes to work here.

[Daniel] I came [words indistinct] and I've worked with children in the United States for 25 years. [passage indistinct] So when I came to China, I (?continued to do) the same things I used to do in the United States. So I am doing here exactly the same thing as I did in the United States.

[Xiao] These foreign volunteers began to work at the Tianjin Welfare Institute in 1988. Most of them are the wives of foreign businessmen who live in China. These women from the United States, Britain, Germany, and Australia not only help care for the children here, but also organize charity activities to help with funding. Sharon Goetzwright from the United States is now in charge of the foreign volunteers.

[Goetzwright] I think when you move to a different country, people want to get involved with the local community, and becoming involved with the orphanage was a very good thing. Some people choose to get involved with the international school or helping out the orchestra. And some people choose to get involved with helping the orphans. And there are a number of people who have been coming on a regular basis. And now that's what we're trying to do, to get everyone that has come in the past to become part of the committee.

[Xiao] These foreign volunteers have read some of the stories in the Asian Human Rights Watch, which say, each year, hundreds of thousands of children in China's welfare homes die of starvation and neglect. But they say they don't agree. Tomorrow, we'll listen to their responses to some of the reports in the Western media regarding China's children's welfare homes.

I'm Xiao Hong, inviting you to tune in at the same time tomorrow. [end recording]

**PRC: North America Beam Airs Final Serial Report on Orphanages**

*OW2705120196 Beijing China Radio International in English to Western North America 0400 GMT 24 May 96*

[From the "Current Affairs" program]

[FBIS Transcribed Text] Earlier this year, certain Western media published fabricated reports on the situation in China's children's welfare homes. In this last part of our series on China's orphanages, we'll bring you some of the far-reaching responses on the subject received by CRI [China Radio International]. Here is Xiao Hong.

[Begin recording] [Xiao] The Asia Human Rights Watch published a report in January of this year, saying that each year, hundreds and even thousands of orphans die of starvation and neglect in China's children's welfare homes. British commercial TV also broadcasted a program stating that there were dying rooms in China's orphanages. Children were supposedly so badly abused there that they died. Wang Xiaoping, deputy director of the Beijing Children's Welfare Institute, said that upon reading these fabricated reports, she became very indignant.

[Wang, in Mandarin fading into English report] The deputy director points out that not in any country are orphanages places where children lead wealthy lives. But the Chinese Government is doing its best with limited resources to care for orphaned children. She said using fabricated reports to mislead people is indecent. Certain Western media not only ruin the image of the Chinese Government, but maligned many people who are working hard in China's children's welfare homes. Sharon Goetzwright from the United States has been a volunteer worker at the Tianjin Children's Welfare Institute for several years. She says that what the reports describe is far from what she sees at the Tianjin institute.

[Goetzwright] I had read some of the stories when I was home for Christmas from the Asia Human Watch, and I did not agree with it. And I think many people, many Americans, do not agree. They might have had one isolated case, but you cannot base an article on one thing. It is not being fair to the work being done in the rest of the orphanages in China. I mean, I can say that we have seen improvements in this orphanage here, and I know there is work being done in the orphanages in south China. And for them to make that statement and to jeopardize the good that other people have done, I just don't agree with it. I don't think it is fair reporting.

[Xiao] Many letters coming to China Radio International during the past several months have expressed anger at the report. In his letter to the English service,

Canadian listener Eric Walter criticized some Western countries for their arrogance regarding China's human rights situation. He argued that they should clean up their own backyard. Government officials say that since China has opened its doors to the outside world, it receives millions of foreign visitors every year. They have opportunities to see the real situation, which is completely contrary to that described in some Western media.

With that, we conclude our series of reports on China's orphanages. If you have questions or comments, please drop us a line. I am Xiao Hong. Thanks for listening. [end recording]

**PRC: Tibet TV on Jiang's Inscription, 'Concern' for Buddhism**

*OW290511196 Lhasa Tibet Television Network in Mandarin 1200 GMT 28 May 96*

[*"Commentary: An Ardent Expectation and Guidance on Action"; from the "Regional News Hookup" program*]

[FBIS Translated Text] Under the favorable circumstances that all nationalities in the region are conscientiously implementing the guidelines of the fourth session of the sixth autonomous regional people's congress and the Chinese People's Political Consultative Conference committee and have determined to do their best to fulfill Tibet's ninth five-year plan for national economic and social development and the long-term target for 2010 under the leadership of the regional party committee and government, there comes again good news from the banks of the Nyang Qu River. On 28 May, a grand ceremony for hanging and unveiling the golden board with the words "Safeguard the Country and Benefit the People" inscribed and presented by President Jiang Zemin was held in the Zhaxi Lhunbo Lamasery in Xigaze.

The golden board with the inscription "Safeguard the Country and Benefit the People," which is hung high on the Zhaxi Lhunbo Lamasery and glittering, has fully expressed the party's policy towards religion and the party Central Committee and State Council's concern for and expectation of the Tibetan Buddhism. The solemn and warm ceremony for hanging and unveiling the golden board has fully shown the love of the monks and laymen in the Zhaxi Lhunbo Lamasery and people of various nationalities for the party and motherland as well as their enthusiasm and determination to construct a new socialist Tibet characterized by unity, prosperity, and civilization. It is not only the honor of the Zhaxi Lhunbo Lamasery, but also the honor of all monks and laymen in Tibet that President Jiang Zemin has inscribed

the golden board and presented it to the lamasery. This is a very happy event for people of all nationalities in Tibet.

The words inscribed by President Jiang Zemin are of profound and significant meaning. Drawing on the true meaning of the Buddhist doctrine — respect the sacred land of the country and contribute to the interests and happiness of the people — the inscription extols Chinese religious believers' patriotic tradition of safeguarding the national territory and praying for the country's prosperity and people's happiness, shows the supreme authority of the central government in administering Tibet's political and religious affairs, and have, under the new historical conditions, given the doctrine a rich ideological meaning and profound political significance that are compatible with a socialist society. Party members and cadres across the region, monks and nuns in all temples, and the broad masses of religious believers must fully understand and grasp this inscription and conscientiously implement it.

The inscription "Safeguard the Country and Benefit the People" is a full confirmation of previous Panchen Erdinis' staunch patriotic stand and glorious tradition of firm love for the country and religion, a high tribute and praise to the 10th Panchen Erdini Qoigy Gyaincain for his lifelong love for the country and religion, as well as the high acclaim and commend to the Zhaxi Lhunbo Lamasery, the seat of previous Panchens, for holding high the banner of patriotism.

Completely contradicting the 10th Great Master Panchen's spirit of loving the country and religion, the Dalai is engaged in the protracting sabotaging activities of splitting the motherland and bringing disaster to Tibet and the religion under the religious banner. His behavior has not only violated the true essence of Tibetan Buddhism, but has also gone against the fundamental interests of various nationalities in Tibet. A great deal of facts have proven that the Dalai is the chief leader of a分裂 and political clique, which is scheming for the independence of Tibet; a faithful tool of the anti-Chinese forces abroad; the root of social turmoil in Tibet; and the biggest obstacle to the establishment of a normal order for Tibetan Buddhism.

In struggling against the Dalai clique, we must adhere to the guidance of President Jiang Zemin's inscription and take a firm and clear-cut stand on major matters of principle, such as patriotism or treason, reunification or splitism, benefiting or harming the people, and unswervingly cracking down on the Dalai clique's splitist and sabotaging activities. Persons from the religious circles and monks and laymen from various temples should regard President Jiang Zemin's inscription as

their guidance; adhere to the guideline of safeguarding the country and benefiting the people; be firm in loving the country and religion and uniting together for progress; abide by the basic codes of conduct for safeguarding the authority of laws, people's interests, national unity, and the nation's unification; intensify the education in patriotism; establish and improve a normal order for temples; and make more contributions to benefiting the country, people, national development, social progress, the religion itself, and improvement in the religious circles.

President Jiang Zemin's inscription is an expression of hope that the broad masses of religious believers and non-believers will unwaveringly safeguard the unification of the motherland and national unity under the banner of patriotism and socialism, that patriotic personnel from the religious circles and religious believers will genuinely and sincerely support the CPC's leadership in safeguarding the state's sovereignty and the central authorities' authority, that religion will suit the socialist society so as to safeguard the interests of the state and people. Presently, Tibet has entered a new crucial phase of economic construction and social progress. Constructing a new socialist Tibet characterized by unity, prosperity, and civilization is the common wish of all nationalities in Tibet and all monks and laymen who love the country and religion.

President Jiang Zemin's inscription has greatly inspired and given tremendous strength to all nationalities in Tibet and has shown a direction for Tibetan Buddhism to adapt itself into a socialist society. We hope that persons from the religious circles, monks, and laymen will conscientiously take "Safeguard the Country and Benefit the People" as their guidance on action and constantly make new progress in and contributions to the great cause of maintaining stability, stepping up development, and promoting the socialist modernization drive in Tibet.

#### **PRC: Living Buddha Says Tibetan People Oppose Dalai Lama, Followers**

*OW2405114396 Beijing XINHUA in English  
0709 GMT 24 May 96*

[FBIS Transcribed Text] Lhasa, May 24 (XINHUA) — The Tibetan people firmly oppose the attempt of the Dalai Lama and his followers at "Tibetan independence" and their disrupting stability in Tibet, according to Living Buddha Drokhang Tubdain Kedrob.

During a session of the the Tibet Autonomous Regional Conference of the Chinese People's Political Consultative Conference, the Living Buddha vowed to put up a struggle against the Dalai Lama and his followers.

"Now Tibet enjoys political stability and economic growth. Tibetans live and work in peace and contentment," he said, and "the Tibetan people now enjoy a greater life and development than at any other time."

He denounced the Dalai Lama as the "root cause" of chaos in Tibet.

"The Tibetan people have been a member of the Chinese nation for more than 700 years," he noted.

The 41-year-old living Buddha from Xiaodeng Lamasery in Nagqu Prefecture in northern Tibet said the Dalai Lama disregards historical facts and is attempting to split Tibet off from China.

"I think the unification of the Chinese nation is the common aspiration of the Chinese people, including the Tibetans, and that it is the best choice of the Tibetan people," he noted.

"History shows that only in the big family of the motherland can the Tibetan people live a happy life," he said.

#### **PRC: Zou Jiahua Calls for Observing Statistics Law**

*OW2905170096 Beijing XINHUA in English  
1636 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Vice-Premier Zou Jiahua has called on governments at all levels to strictly observe the state's statistics law and promote the law's implementation.

Addressing a national telephone conference today, Zou said that the law, which was revised by the latest plenary meeting of the NPC (National People's Congress) Standing Committee, is of great significance to developing a statistics business in accordance with both the principles of a socialist market economy and international practice.

The revision aims to get rid of any fraud or cheating in statistics and data and information management. Moreover, maintaining privacy and commercial secrets for clients are stipulated as one of the obligations for statistical workers by the revised law.

He also called for working out more supporting rules and regulations to improve the legal system for statistics businesses.

#### **PRC: Jiang Zemin Writes Inscription for Shanghai Children's Museum**

*OW2905162096 Beijing XINHUA in English  
1543 GMT 29 May 96*

[FBIS Transcribed Text] Shanghai, May 29 (XINHUA) — Shanghai Children's Museum opened today, adding

to the colorful activities arranged for children as International Children's Day approaches.

Chinese President Jiang Zemin wrote an inscription for the museum saying "building the future."

The museum, which occupies an area of 4,500 square meters, features space industry and navigation in its display halls.

Meanwhile, new films and TV series made especially for children will also be aired on television from June 1.

**PRC: IBM Establishes Computer Centers in 23 Chinese Universities**

*OW2505091296 Beijing XINHUA in English  
0728 GMT 25 May 96*

[FBIS Transcribed Text] Beijing, May 25 (XINHUA) — The State Education Commission and the IBM jointly held a celebration ceremony in the Beijing University over the weekend, marking the establishment of computer centers in 23 universities across China, the "Guangming Daily" reported.

Attending the ceremony were Lu Jiaxi, vice-chairman of the Standing Committee of the National People's Congress, Zhou Yuanqing, vice-minister in charge of the State Education Commission, and Zhou Weikun, executive president of the IBM in China.

The centers, funded by the IBM, have come into operation with the ceremony.

According to an agreement reached by the State Education Commission and the IBM in March 1995, the IBM donated computer facilities worth 25 million U.S. dollars, personnel support, and education and research funds to 23 universities in China, as part of a project for establishing IBM computer technological centers in these universities.

By now, all donations have been sent to the universities, where computer centers have been installed with such advanced IBM computers as RS/600, AS/400, network equipment, data banks, and other advanced softwares.

According to the 1995 agreement, the two sides would attach much importance to the subject development of the information technology in 1996. Towards that, a Committee has been jointly established to put update computer technologies into the curriculum.

**PRC: Nation's 1st Newspaper Group Set Up in Guangzhou**

*OW2905144196 Beijing ZHONGGUO XINWEN SHE in English 1403 GMT 29 May 96*

[FBIS Transcribed Text] May 29 (CNS) — The first newspaper group in the mainland, Guangzhou Daily Group, was set up today, indicating that China has entered a stage of establishing modern newspaper groups.

Governments of Guangdong and Guangzhou, officials of the Press and Publications Administration and heads of news agencies nationwide attended the ceremony for the establishment of the Group today.

The Guangzhou Daily boasts an annual revenue and expenditure of RMB 1 billion. It has become an industrial group, which is composed of Soccer News, Guangzhou's Digest News, Communications and Tourism News, Modern Baby Nursing News, the Elderly News, Lingnan Youth News, Guangzhou Daily Printing Centre, Tayang Advertising Company, Guangzhou Newspaper and Magazine Distribution Company, Guangzhou Colour Printing Company Limited, Guangzhou News Service Centre, Guangzhou Daily (Hong Kong) Company Limited and Hong Kong Huaxingsheng International Company Limited. Moreover, the Group has also published an English weekly.

**\*PRC: Mobile Population Defined, Problems Discussed**

*96CM0215A Beijing RENKOU YANJIU  
(POPULATION RESEARCH) in Chinese 29 Jan 96  
No 97, pp 10-14*

[Article by Li Rongshi (2621 2837 2514): "Understanding, and Thoughts on, the Mobile Population in China Today" — first paragraph is RENKOU YANJIU introduction]

[FBIS Translated Excerpt] About the author: Li Rongshi was born in 1946. He graduated from People's University's Population Research Institute with a masters degree in 1982. He was chairman of the State Statistical Bureau and was a deputy director in the Ministry of Civic Affairs. Today, he is coordinating research work in the CPC Central Committee General Office and also works as a researcher.

China is at a critical junction of economic and social developments. In the wake of in-depth reform and opening up, the mobile population has become an increasingly serious problem, attracting the close attention of government departments at all levels as well as experts and scholars. In some large and medium-sized cities, the impact of the mobile population is even more prominent,

affecting every aspect of life, from clothing, food, and housing, to transportation. It has become a hot topic in casual conversations everywhere among ordinary citizens from all walks of life. They see pros and cons, good things and bad things coming out of this trend. I believe that the issue of the mobile population is not just a social issue, but more importantly, it is an economic development issue; it is not just an issue of interest, but also an issue of rights; it is not just an immediate issue, but also a long-term issue. In tackling the mobile population issue, we not only need correct understanding but also legislation as well as macro regulation and control, guidance, and intervention. Here, I would like to discuss some of my own understanding and ideas.

### 1. Delineation and Classification

The mobile population, as its name implies, is a part of the population; it is the mobile portion of the population. According to the dictionary, "mobile" means "moving or not stationary." According to this definition, mobile means constantly moving back and forth in a certain direction. If we follow the simple meaning of the word, we can define the mobile population as one that continuously moves in a set direction. Human beings are living organisms, and life means motion. As far as the population is concerned, whether we are talking about individuals or groups, from the time of birth to the time of death, from the time people get together to the time they disperse, from the beginning to the end, there is constant motion; no population ever stands still. But we cannot say that the entire population is a mobile population; we must draw a line in time and space.

The earliest population classified as a mobile population was the migrant population. This delineation used people's permanent addresses (permanent residences) as a departure point, and the population of people who changed their permanent addresses within a specific period of time was termed migrant population. In fact, the migrant population was a one-time mobile population as the families moved their permanent homes for various reasons, and this migrant population was easy to identify because the permanent addresses of entire families changed.

In reality, the way China's household management mechanism works also creates a "household standard" in delineating migrant population: in population management, we only ask where the household is registered, not where a family permanently resides; whenever the place of registration changes, the population is deemed a migrant population. Of course, under most situations, the two are the same. But given the socialist market economic conditions of reform and opening up, more and more family members are separated from their house-

holds. In our population analysis, we should no longer limit ourselves to household registration as the only criterion. We should acknowledge that, because of the restrictions of the household management system, people cannot lightly change their household registrations, which hampers population mobility, and most migration goes on in an orderly fashion according to a set procedure.

Unlike the migratory population, in real life, there is a large mobile population consisting of families that move without changing their permanent addresses. These people move around, sometimes over long periods, sometimes for short periods; some move far and others stay close. One clear characteristic is that these people move around for the purpose of making a living or finding jobs; they settle wherever there are better economic benefits. Legally speaking, they are still permanent residents of their hometowns; they are treated as outsiders in the localities of their current domicile. The people who leave their permanent homes to make a living or find work elsewhere are what we usually refer to as the mobile population. The difference between the mobile population and the migrant population is that the former still plants "one foot" at home; people may only have some family members, some properties, or just their household registration books in their hometowns, but their roots, or we should say their "legal roots," are firmly planted there.

Different from this kind of mobile population is another, even more short-lived, short-term mobile population often referred to as "social mobile population" or "business mobile population." This includes people who are visiting relatives, touring, vacationing, attending conferences, on business trips, or on purchasing and sales assignments. Generally speaking, these people have steady professions and financial sources; their mobility is not for employment purpose, and this is the most important difference between them and the mobile population who lingers for longer periods, looking for work and making a living away from home. In addition, they move around quickly and stay away from home for short periods; they most often stay in guesthouses or hotels or other public places, and short-duration and speed are the characteristics. To facilitate discussion, we shall call this portion of the population "short-term" mobile population.

In summing up the above, I think we can interpret the concept of "mobile population" at four levels: One, in the most general sense, all population is mobile at certain point in time and space. Two, from the point of spatial movement, the earliest class of mobile population was the migrant population; the main characteristic was the change in permanent residence, and under

China's situation, it often meant changing the place of household registration. Three, there is a mobile population consisting of people who — although their permanent homes do not change, or do not legally change — live and work away from home for months and even years on end; characteristically, these people's goal is to make a living away from home, and they stay out for long periods of time, and since reform and opening up, this population has grown increasingly in size. Four, there is a population that not only does not change permanent residence but moves around not for the purpose of finding work and is away from home for relatively short periods of time. The mobile population we often refer to, or the mobile population in its broad sense, is the latter two categories in which people retain their permanent addresses. Below, in our analysis using the narrow meaning of the term, however, mobile population refers mainly to people who move around for the purpose of making a living and who stay away from home over longer periods of time.

## 2. Numbers and Characteristics

Although China has a long history of compiling population data, Old China had no record of its mobile population. Even in the first three census taken after the founding of New China, the mobile population was not included. For the first time, the census taken in 1990 included an item on migration. The survey result showed that in the five years between 1985 and 1990, a total of 34,127,607 people changed their permanent addresses, averaging 6.83 million moves each year and accounting for 0.6 percent of the population. Because the survey covered a period of 5 years cumulatively, there could be some omissions, but no matter how we estimate, China's population migration rate cannot exceed 1 percent.

In comparison, statistics on the mobile population whose people do not change their permanent addresses is even harder to compile. Based on materials we have managed to collect, we have the following figures:

On 10 December 1993, Shanghai Municipality conducted its fifth mobile population sample survey, and the result showed that 3.31 million people entered Shanghai each day, an increase of 1.381 million compared to the 1.929 million people noted in the fourth round of census taken on 20 October, 1988; the data reflected a 11.4 percent annual rate of increase<sup>1</sup>.

On 10 November 1994, Beijing Municipality also conducted a sample survey of its mobile population, and the result showed that on that day, 3.295 million people entered the municipality, which was about one-third of the municipality's registered households of 10.628 mil-

lion people and represented a net increase of 3 million compared to 1980, approximately a 15-fold increase<sup>2</sup>.

The result of a sample survey of Fujian's mobile population taken on 15 June, 1994, showed that the province had a mobile population of 3.09 million, 1.65 million of whom were registered as temporary residents with the public security organs — 1.9 times more than the 580,000 registered in 1989. In Fuzhou, Xiamen, Quanzhou, and some other cities, temporary residents in some neighborhoods out-numbered permanent residents by several folds.

According to incomplete data compiled by the relevant departments in Sichuan Province, at the end of 1994, the province had a total labor force of 7.2 million people, 5.2 million of whom were in the rural areas, and of those, 1.25 million had shifted to the nonagricultural sector, and 8.79 million worked or took up business away from home, including about 6 million working outside of the province and were scattered across the country.

In the above-mentioned surveys, of Shanghai's 3.31 million mobile population, 500,000, or 15.1 percent, actually entered the municipality on the day the survey was taken; of Beijing's 3.295 million mobile population, 418,000, or 12.7 percent, actually entered the municipality on the day the survey was taken. If we take the average number for each day and assume that the average stay lasts 3 days, the short-term mobile population who is visiting relatives, traveling, on business or in town for other reasons accounts for about one-half of the mobile population. The result of the survey in Beijing also showed 1.15 million temporary residents registered with neighborhood offices, and if we ignore those who failed to report, the 1.15 million figure is the focus of our study — those people make up the fairly long-termed mobile population whose purpose is to find work.

The nationwide situation coincides with the results of the regional surveys. According to relevant department estimates, in 1993, China had a mobile population of around 80 million people, 44 million of which were registered with public security organs as temporary population<sup>3</sup>. Of this population of temporary residents, the absolute majority were surplus workers from rural areas. According to estimates made by experts from the Chinese Academy of Sciences' Analysis Group using the per unit labor farmland method, the man-hour method, the seasonal surplus method, and structural surplus method, in 1984, China had a rural surplus labor force of approximately 94.85 million people, or nearly 100 million; in 1994, that figure exceeded 200 million and is expected to surpass 300 million in the

year 2000<sup>4</sup>. Since reform and opening up, through developing township enterprises and nonagricultural industries, more than 120 million of the surplus labor force have found work, and the remaining 80 million or so make up the long-term mobile population looking for work away from home. It is estimated that with population growth by the year 2000, the surplus rural labor force will again increase to 200 million; at that time, the mobile population may double to around 150 million.

In short, China's mobile population has exploded since reform and opening up. In the large cities, if we take the mobile population to be 100,000 in the 1970's, it would have reached 1 million by the early 1980's, 2 million by the early 1990's, and today, it would be 3 million, and nationwide, that figure will be close to 100 million. Faced with this huge mobile population, how we bring the people into play is important, because they not only make a difference to whether we can achieve the goal of becoming fairly well-off but also have an impact on social stability and national security.

This huge mobile population has its distinct demographic characteristics:

One, the population is fairly scattered, and the direction of flow is fairly predictable. The mobile population can be found everywhere nationwide, in the provinces, municipalities, and the autonomous regions; from the large to the mid-sized and small cities, from the hinterland to the remote frontier, and from the Han nationality regions to the minority nationalities autonomous regions. In Hainan, there are sellers of barbecued beef from Xinjiang; in Lhasa, there are cobblers from Zhejiang. Under the laws of the market economy, anywhere where conditions allow and money can be made, the mobile population can be found. These people usually have relatives or friends in the area, or they are brought along by workers from home who have gone out before and know the job market, and the flow is fairly predictable.

Two, the population is made up of relatively young people, and the age-range is relatively narrow. Surveys in Chengdu, Harbin, Anshan, and Jilin showed that 70 percent of the mobile population is under 35 years old; those from the rural areas are even younger<sup>5</sup>. In comparison, a high concentration of the population is in the 20-to-35-year-old age group; few are over 40. This is mainly because the young are more driven by the desire to "get away and see the world," and most have no family or children to worry about; it is harder for the old and the very young to leave home.

Three, men are the majority, but women have job advantages. A recent survey in Beijing showed that 63.5 percent of the mobile population were men; 36.5 percent

were women; the ratio was 174 [as published]. By category, 98.4 percent of those employed in construction sites were men; 38 percent of those employed in various types of markets were men; but of those living in domestic households, 63.6 percent were women<sup>6</sup>. Even in real life, we sense that most nannies, sales clerks, service people, and light industrial workers are women.

Four, they are not well educated but are highly adaptable. Many studies showed that the mobile population in general to be poorly educated. A survey in Shanghai showed that, among the mobile population, 9.4 percent are illiterate; 24.0 percent had only elementary school education; 47.6 percent had junior high school education, and in total, 81 percent of the population had less than junior high education<sup>7</sup>. But these people are highly adaptable; they are not afraid of hardship and try their best to surmount all kinds of problems to adjust to city life.

Five, they stay away from home for long periods of time and follow a clearly seasonal pattern. Studies in some cities showed that, on the average, different types of mobile population stay away from home for 195 days: Specifically, domestic helpers (nannies) are away 307 days; construction workers are away 297 days; other hired hands are away 236 days; small business people and street peddlers are away 225 days; and repairmen of all types are away 207 days. These five classes of workers make up approximately half of the mobile population<sup>8</sup>. It is fair to say that basically they are away from home year-round and return only on holidays and special occasions to rest or for family gatherings, and as a result, there is always a flood of travelers just before and after the New Year, causing traffic congestions and other problems.

### 3. Problems and Causes

First, we must acknowledge the important contributions the mobile population has made toward this country's economic construction and social development; their meritorious services must be recognized. However, in the wake of the ever-expanding size of the mobile population, many problems have also been created, and we must pay attention to them:

One, rural and agricultural development has been affected: We must admit that the population that has left the rural areas makes up a fairly eager and active labor force. As the relatively well-qualified, young labor force leaves, the quality of the rural labor force begins to decline, leaving the "3-8 and 60" contingent (women and old men) behind in the farms, which makes developing scientific cultivation and diverse management difficult. Some localities are seeing some farmland turning into wasteland, and as a result, agricultural quality, its rate of

development, the rural grass-roots organizational structure, and township enterprise development are adversely affected to various degrees.

Two, urban management is made even more difficult. A large influx of mobile population to the urban and suburban areas has created problems for public transportation, public health, education, environmental protection, business management, tax collection, family planning and so on, undermining normal urban socioeconomic operations. Sources indicate that, in 1993, extra-planned births among Shanghai's mobile population was 13 times that of its permanent population. In some large and mid-sized cities, housing, transportation, and medicare problems were once resolved but have flared up and are getting worse again.

Three, there are serious public security problems. According to the pertinent departments, in 1994, public security organs nationwide found 569,000 criminal elements among the temporary populations; the crime rate was 1.28 percent, four times the national average. Out-of-towners were responsible for more than 50 percent of the crimes in Shanghai and Beijing and other large cities and as much as 80 percent in Guangzhou. Transient panhandling, prostitution, drug trafficking and addiction, organized crime and other evils are increasingly rampant. The aimless drifting of the mobile population has produced people who are without means of livelihood, producing a negative impact on public security.

Four, the mobile population's legal rights are trampled. Compared to the permanent population, the mobile population's living standard is at the minimal level. Their diet is poor, housing is bad; they perform physical work, have low social status; and their personal rights are often trampled. Some joint ventures, private enterprises, and individual households deliberately make them work long hours and perform very physically-demanding work; they hold back wages or even physically abuse the workers. There are many criminal cases, and sometimes there are vicious crimes causing injuries and fatalities. Riots are brewing in some localities.

The above problems are already undermining economic and social developments. The reason for these problems is mainly due to the lack of guidance and management of the mobile population which leads to disorderly circulation. At the Third Plenary Session of the 14th Party Central Committee, it was pointed out that we must "actively encourage and guide the gradual shift of the surplus rural labor force to the nonagricultural sector to achieve orderly inter-regional circulation." We have not done a good job implementing this guiding policy. Briefly, I believe we have fallen short in three areas: First, leaders of the pertinent departments and locali-

ties lack the necessary knowledge about the important strategic meaning of the shift of the rural surplus labor force and the inevitability of the population flow; they treat them as problems they can "mind or ignore" or as "mission impossible." Localities that are losing and those that are gaining population often disagree on what the problems are, and they deal with the problems passively, taking a laissez faire approach. Second, studies and analyses of the time, place, and size of the mobile population are inadequate. We fail to intervene and mediate purposefully and in a planned and systematic way, and there is no macro regulation and control. Third, there is no effective legislation and system to deal with housing, employment, business, and public security problems; the departments are decentralized, and relationships are tangled; there is no cohesive force. We are eager to collect fees but are slack with management; as a result, there are many loopholes and weak links. These "three defects" have led to disorderly population flow, and this lack of order is the crux of the economic and social problems. [passage omitted]

#### Footnotes

1. Liu Yanguang [0491 1750 1684]: "Amplify the Legal System, Manage the Mobile Population Effectively," JINGJI RIBAO, 1995; 7, 24
2. Ji Dangsheng [0370 7825 3932] et al.: "A Study of the Mobile Population In Beijing Municipality and Some Countermeasures," ZHONGGUO RENKOU KEXUE [CHINA POPULATION SCIENCE], 1995; 4: 54
3. Liu Yanguang, see Footnote 1.
4. China's State of the Nation Research Group: "Sheng-cun Yu Fazhan" [ "Survival and Development"], KEXUE CHUBENSHE, 1989: 23
5. Li Mengbai [2621 1125 4101] et al.: "Liudong Renkou Dui Dachengshi de Yingxiang Yu Duice" [The Impact of Mobile Population on the Large Cities' Development and Some Countermeasures], JINGJI RIBAO CHUBENSHE, 1991: 14
6. Ji Dangsheng et al., see Footnote 2.
7. Li Mengbai et al., see Footnote 5.
8. Ibid.

**\*PRC: Survey on Migrant Laborers in Nanjing**  
**96CM0242A Shanghai SHEHUI [SOCIETY]**  
**in Chinese Mar 96 No 134, pp 40-41**

[Report on survey of migrant peasant workers in Nanjing by Yang Zhonglan (2799 6988 3482): "Come and Gone Overnight"]

[FBIS Translated Excerpt] With the tide of peasant workers having raged on for four or five years now, no matter whether we hate and fear or approve and like it, we all must now face up to the fact that peasant workers are certainly living in cities and gradually becoming an indispensable part of the urban landscape. So as this is now a reality and an established trend, we cannot ignore it, rather needing to acknowledge the reality. Meanwhile, a job that we must not neglect is striving to explore ways to teach and control the peasants coming into our cities so they will develop in an orderly and sound way to achieve as quickly as possible urban-rural harmony and joint development.

In which case, how are cities controlling peasant workers? What is the control status quo? And what control successes have been achieved? In our survey of peasant workers in Nanjing, we found the control status quo to be not optimistic.

1. The jurisdiction to control is unclear, leaving a problem of who is to do the controlling. In our survey, we visited many specific units, all the way from Nanjing's district governments, Industry and Commerce Bureau, Labor Bureau, and Public Security Bureau to grassroots neighborhood committees, finding that no sector seemed to hold that it was its job to control peasant workers, while they were all doing so to one degree or another. It is thus obvious that the specific jurisdiction for control of peasant workers is unclear, with the responsibility also decentralized. Meanwhile, we discovered from the labor sector at all levels that Nanjing is practicing three-level control of peasant workers, or the Jiangsu Labor Bureau controlling peasant workers in provincial units, the Nanjing Labor Bureau controlling those working for municipal enterprises, and district labor bureaus controlling those working in district units. In addition, the Public Security Bureau is in charge of registering the migrant population, with the Industry and Commerce Bureau in charge of peasant workers engaged in individual household operations. Even when we arrived at the Nanjing Labor Bureau's Outside Work Force Job Management Office, believing that we had finally found the real "ones in charge," they told us with a wry smile that while they were seemingly in charge, the multilevel and redundant management separation meant that very few units were actually under their control jurisdiction, not to speak of any effective control.

2. The control targets are also unclear. In our survey, the biggest question we ran into was: How many peasant workers are actually in Nanjing? This seemed to be a question that no one could answer clearly. While the pertinent national department provides that all units must report their number of workers, the reality is that the reported figures are extremely fraudulent. For instance, while Nanjing's 10 districts reported in 1992 a total of only 50,000 workers, everyone knows that that figure was inaccurate. We found in our sampling that while a certain unit reported only a little over 30 workers, it actually had more than 100. So just why does such a state of affairs exist? We discovered in our survey that it is due in the final analysis to "money." The Nanjing Government provides that management [control or administrative] fees must be collected for all peasants entering the city, with the fee collection shared in a 3:3:4 ratio, or 30 percent each from the district and municipal governments, and the other 40 percent from the provincial government from where the migrant worker came. The idea may be fine, with the aspiration being to collect from the public to spend on the public, and the management fee collection being in the interests of better control and better service to peasants coming to the city. But the reality is a strange trap in which precisely due to such "money," individual units hide their figures from districts, districts hide them from the city, and the city hides them from the province, which leaves a large population artificially hidden. This is very likely to cause poor control. In addition, the dispersion of peasants coming to the city, with casual workers and garbage-pickers being homeless and unaccounted for, also causes census and control problems. In short, the control sector at all levels is unclear about the overall numbers, trade distribution, and behavioral traits of peasants coming to the city. So just imagine, without even knowing the symptoms, how are we to exercise control by "suiting the remedy to the illness?"

3. We believe that control policy steps are also outdated and backward. This can be seen first in that certain administrative personnel have outdated ideas, still working within the old policy framework of "on-site transfer, leaving farming but not the countryside, and going to work in factories but not entering the cities," even to the extent of discriminating against peasants coming to the city. Certain policy regulations even openly provide restrictive steps such as doing all possible to not employ peasant workers. In fact, such policies are no longer suited to our current realities. If our policy remains rooted in old restrictions on not employing or employing as few peasant workers as possible, instead of actively exploring ways to effectively control and serve them, many social problems will never be solved. With every Spring Festival bringing waves of peasant

workers gathering on our railways and highways, starting at that point to plan an orderly flow and control to ease the pressing needs is certainly too late!

So just what sort of problems is such lack of control causing? Not to speak of the oft-mentioned transportation and job pressures, certain other problems are also knocking at our doors. For instance, in certain personal interviews, we encountered the following cases. Certain outsiders openly claimed that as long as there was money to be made, they would do anything for it. One pickpocket even held that there was nothing wrong with his actions, asking us instead: Why can I not have what others have? It is thus obvious that extremely great hidden dangers exist.

Another hidden problem is that of sending the children of peasant workers to school. If it is not solved now, we are going to see a new generation of illiteracy in our city in the future. We found in our survey many peasant workers with their families in tow. Many such children were playing on street corners, helping the adults do various jobs, or huddled up in crude shacks. In our talks with them, we found many who said that their whole families had come to the cities and had essentially no thought of returning to the countryside. And when we asked about their schooling, they either laughed or said that they were not going to school. Others said that while they would like to go to school, there was no place for them in city schools, and it would be doubly hard for them to go back to the countryside to attend school. So we visited certain district education offices and schools. One district education office director told us very frankly that: "We have never even considered the problem since it is very hard to solve the schooling problems of our local district children, meaning that there is even less planning for the education of peasant-worker children. Meanwhile, school enrollment is very strict about residence registration cards, with generally only children with both parents as registered residents of our local district getting approved for enrollment, while those from split-up families with only one parent in Nanjing having to pay tuition according to the particular case." [passage omitted]

### Science & Technology

**PRC: CAIU Delegation Leaves for U.S.**  
*OW2905075996 Beijing XINHUA in English*  
*0651 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — A delegation of the Chinese Association for International Understanding (CAIU) led by its vice-chairman Zhu Liang left here today on a goodwill visit to the United States.

The delegation, invited by the American Foreign Policy Council, includes members of the CAIU Executive Council Dong Fureng, Fu Tianshan and Hu Yamei.

**PRC: Qian Qichen: World Situation Conducive to Development**

*OW2905115296 Beijing XINHUA in English*  
*1120 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — The current world situation has provided a rare opportunity for China to speed up its economic development, Vice-Premier and Foreign Minister Qian Qichen said today.

Addressing the fifth national congress of the China Association for Science and Technology in Beijing, Qian said that around the turn of the century, the world economy is entering into a fairly long period marked by relatively stable growth.

"This situation is conducive to the growth of economies in various countries. It has also provided a rare opportunity for China to fulfill its Ninth Five-Year Plan and attain its long-range objective for the year 2010," he said.

He expressed the belief that the ongoing congress will certainly facilitate the implementation of the strategy of "invigorating China through science and education and enable China's scientific and technological undertaking to become even more prosperous."

In his speech, he outlined the salient characteristics of the current international situation.

"The transition from an old pattern in international relations to a new pattern has not yet been completed," he said.

The momentum of relaxation is growing further, but there are still many unstable and uncertain factors in the world, he noted.

According to Qian, the international situation can be summarized as "no major wars being fought with minor conflicts constantly emerging". "The overall situation is relative relaxation," he said.

Meanwhile, the tendency of multipolarization in the world is further developing, and the new outline of new world pattern of "one superpower, multipowers" is tending to be clear, the vice-premier said.

Competition with cooperation, friction with compromise, respecting each other, while restricting each other, have become the leading characteristics of relations between big powers, Qian said.

In addition, the role of economic factors in international relations has become increasingly outstanding. The more the economy develops, the more it is dependent on science and technology, he added.

All countries, particularly the major powers, are launching all-out competition in comprehensive national strengths between each other, with their economies as a core and science and technology as a guiding factor, the vice-premier said.

The status and future of all the countries in the next century will be decided, to a large extent, by the outcome of that competition, he concluded.

The vice-premier called on Chinese scientific workers to take the advantage of the favorable domestic and international situation and make their due contributions.

Qian also briefed about 1,000 delegates about Sino-Russian relations, Sino-US relations, the issues of Taiwan and Hong Kong and President Jiang Zemin's recent visit to six African countries.

The meeting was presided over by Zhu Guangya, president of the China Association for Science and Technology.

#### **PRC: Yunnan Expands International Scientific Cooperation**

*OW2905100896 Beijing XINHUA in English  
0940 GMT 29 May 96*

[FBIS Transcribed Text] Kunming, May 29 (XINHUA) — South China's Yunnan Province has forged scientific co-operation and exchange relations with 60 countries and ten international organizations, according to the Yunnan Provincial Science and Technology Commission.

An official of the commission said that, to date, Yunnan has launched 200 projects with foreign countries and international organizations, including the European Union, the United Nations Educational, Scientific and Cultural Organization and the UN Development Program.

The official said that the International Co-operation Project Fund set up by the commission has financed 68 projects in such areas as manufacturing, farming, forestry, energy, geology and environmental protection.

Through co-operation with their foreign colleagues, scientists in Yunnan have improved techniques for breeding seeds of rubber trees, sugar cane and hybrid rice, and solved technical problems in producing efficient phosphate fertilizers and white wax.

Working together with their Bulgarian counterparts, researchers with the Provincial Geography Research

Institute solved the problem of leakage of water from the WuLiChong Reservoir, situated in a limestone area.

While studying issues of economic co-operation in the Lancang River-Mekong River region, involving China, Vietnam, Myanmar [Burma] and Laos, economists in Yunnan are being supported by their colleagues in Canada, France, Japan and the United States.

Technicians from Yunnan have built centers for breeding turtles and fish in northern Laos and are spreading the use of Yunnan's hybrid rice cultivation technique among Laotian farmers.

Yunnan has exported ground satellite stations to Vietnam, Myanmar and Laos, the official said, adding that it has also transferred technology for building small hydroelectric power stations to those countries.

He said that scientists with the Yunnan Provincial Seismology Bureau have built China's first observatory for ultra-high-energy gamma point source universal, in co-operation with their American counterparts.

Chinese and American scientists have also built an earthquake monitoring station in Dali, where quakes are frequent.

The official said that scientists in Yunnan are also co-operating with Japanese scientists in studying and monitoring seismic and volcanic electromagnetic waves.

#### **PRC: Breakthroughs Made in Wireless Telecom Industry**

*OW3005021696 Beijing XINHUA in English  
0147 GMT 30 May 96*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — A number of technical achievements in telecommunications passed final appraisal in Xian, capital of Shaanxi Province, marking a new leap forward in China's modernization drive.

The technical breakthroughs include the SDH (synchronous digital hierarchy) microwave equipment with a transport speed of 155 Mb per second, digital microwave telecom system with transmission speed of 34 Mb per second, and a digital wireless telephone system.

According to the People's Posts and Telecommunications Daily, the new SDH equipment can be used in microwave trunks of a nation-wide telecommunication network.

The digital microwave system will be installed to cellular telecom networks for both public and special use.

Boasting the two-way radio and roaming functions, the digital wireless telephone system is suitable for telecom

services in urban areas with a high population density and telephone business volume. It can also provide regional mobile telecom service, said the paper.

**PRC: Taiwan Deputies Call For Stronger Science Cooperation**

*OW3005075696 Beijing XINHUA in English  
0740 GMT 30 May 96*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Deputies to the ongoing fifth national congress of the China Association for Science and Technology here have called for stronger co-operation in science and technology between the two sides of the Taiwan Straits.

Eleven deputies from Taiwan are attending the conference. The majority of them have certain influence in the science and technology circles of the island province and have been promoting exchanges and co-operation across the Taiwan Straits for many years.

Uen Hua Chao, an expert in refrigeration from Taiwan, said that the mainland has good basic research and Taiwan has some experience in applied technology in this field, so they can complement each other through exchanges. The refrigeration industries on both sides of the Taiwan Straits started co-operation five years ago and have reached primary common understandings on the direction of research.

"As long as the Chinese co-operate with each other," he said, "They will be strong enough to compete with the developed countries".

Many deputies talked about co-operation in the unification of terminology in the areas of transportation, electronics, packaging and illumination technology, and said that they hoped that the work in this respect will be accelerated.

"Many technical terms in Taiwan derive from Japan," Shen Wen Po, a manager from Taiwan, said. "We find it hard to understand each other when having exchanges with our mainland counterparts, and this is not conducive to the education of young people."

He said that the work of unifying the use of technical terms should start as soon as possible.

**PRC: Wuhan-Developed CAD Program Success**

*OW3005031296 Beijing XINHUA in English  
0218 GMT 30 May 96*

[FBIS Transcribed Text] Wuhan, May 30 (XINHUA) — A computer-aided design (CAD) system developed by Wuhan Architectural Designing Institute has become an indispensable timesaver for technicians working on lengthy projects.

The institute has also become China's first among its 10,000 institutes that has completely computerized designing.

It took the institute only one month to finish the "paperless" design of the 213-meter-high Wuhan World Trade Center using the system. Otherwise hundreds of people would have had to work with a paper mountain for half a year.

To date the system has been transferred to about 30 design institutes and greatly improved their work efficiency.

All of China's prospecting and designing institutes are striving to computerize their design facilities before the year of 2000.

**PRC: Four Colleges Form Hebei Science, Technology University**

*OW2905164996 Beijing XINHUA in English  
1555 GMT 29 May 96*

[FBIS Transcribed Text] Shijiazhuang, May 29 (XINHUA) — The structure of institutions of higher learning underwent a major reshuffle today in north China's Hebei Province.

The Hebei Teachers' University and three polytechnic colleges combined to form the Hebei Science and Technology University.

The move was in line with the central government's demand to achieve a transformation from quantity to quality in educational circles. Hebei has seven major universities.

The newly-founded Hebei Science and Technology University has around 10,000 students.

**Military & Public Security**

**PRC: Strategic Missile Troops Enhance Combat Capabilities**

*OW3005060196 Beijing XINHUA Hong Kong Service in Chinese 0107 GMT 23 May 96*

[FBIS Translated Text] Beijing, 23 May (XINHUA) — Over the last few years, the Second Artillery Corps has successfully accomplished several important missile test launches, indicating that its rapid mobile combat capability under high technology conditions and its missile launching capability under various complicated conditions have been noticeably enhanced. This is a result of the corps' employing modern technology and applying technological results.

From a science and technology meeting recently held by the corps, this reporter learned that over the last

few years, the corps, focusing on enhancing its overall combat capabilities, has applied itself to tackling key technological problems, enabling it to achieve nearly 1,000 technological research results, among which 94 percent have been widely used. Regarding improving the means of training as a key task, the corps organized a few hundred experts to jointly tackle key technological problems. So far, they have achieved a number of major research results, including the large all-purpose strategic missile simulator training system, and a simulator system for the complete process of combat-training a strategic missile unit. These results have accelerated modernization of the strategic missile troops' training.

To improve the strategic missile troops' automatic testing capability, the experts developed an automatic missile testing system, enabling China's strategic missile monitoring and tracking technology to rank among the world's most advanced. Based on the missile troops' demand for rapid and mobile combat, the Second Artillery Corps organized scientists and technological workers from various fields to jointly tackle key problems, enabling it to achieve a large number of important technological results and apply them to the troops within a short period of time.

An automated combat command system is the key to fighting battles using missiles. Through hard work done over several years, researchers of the Second Artillery Corps achieved hundreds of results in this field. Among them are the missile brigade control system, the electronic command system, the commonly used message [tong yong wen dian, 6639 3938 7183 2429] processing system, and other results, which have filled in the gaps in the electronic command of fixed and mobile combat using different types of missiles. In addition, a large number of research results were achieved in technical reconnaissance, weather forecasting, geographical surveying, antichemical warfare, and logistics support, basically giving the corps the capability to provide comprehensive technical support for fighting battles under various complicated conditions the year round.

Aiming at problems such as oxygen replenishment and recycling under closed conditions in combat positions during war time, elimination of hazardous gases and germs, health protection and emergency medical treatment on the battlefield, drinking-water purification, and sewage treatment, the Second Artillery Corps' logistics department closely cooperated with research units and the troops in organizing studies of key issues, enabling them to achieve a number of high-technological results that are technologically advanced at home and abroad. These results have passed tests in actual combat exercises.

**PRC: Commentary on Studying Rules, Regulations**  
**HK2405024396 Beijing JIEFANGJUN BAO**  
*in Chinese 1 May 96 p 1*

[Article by staff reporter Su Ruozhou (5685 5387 5297): "Bring an Army in Gallant Array Into the 21st Century—Commentary on Units of Whole Army Studying, Applying Rules and Regulations"]

[PTS Translated Text for FBIS] Two conspicuous events took place in army building in the spring of 1996: One is the successful military exercises conducted by the Second Artillery, Air Force, Navy, and forces in the Nanjing Theater in the East and South China Sea and the Taiwan Strait; and the other is the drive to study and apply rules and regulations and strengthen the Army's regularized management, which has started quietly throughout the whole Army. The simultaneous development of Army regularization and modernization is like two huge wheels pushing forward our Army's advance with the times. The appearance of the "regulations craze" in the Army indicates that Army regularization has entered a brand new stage.

**1. The Drive To Study and Apply Regulations, Which Started Quietly, Has Become a General Trend Throughout the Army**

The drive to study and apply regulations began this year first with the Army's leading organs. At the end of last year, Chairman Jiang of the Central Military Commission [CMC] made a call at the enlarged CMC conference, urging the Army to step into the 21st century with a brand new outlook. The CMC vice chairmen made profound expositions on strictly administering the Army in light of the law and strengthening the Army's regularization in light of rules and regulations. In the course of planning and implementing the Army's Ninth Five-Year Construction Plan, all units from the general headquarters to the military regions and armed police forces regarded implementation of the "CMC Decision on Strengthening Army Management and Education" as an important aspect in strengthening regularization. The objective was to bring a select Army in gallant array into the 21st century. Leaders of the three general departments made a mobilization and set the requirements for the style, discipline, education, and reorganization of organs. The organs underwent reorganization within the prescribed time and all the major units carried out drills in light of the rules and regulations. The principal officers and political commissars at all levels taking part in the drills joined the companies and performed the duties of ordinary soldiers, participated in company activities in light of the regulations, and used practical action to prove that leaders and leading organs are pioneers in implementing the rules and regulations.

Many units have raised to theory their successful experience in training men in light of the rules and regulations and sought laws governing their action. A leader of an artillery unit did not pay due attention to rules and regulations in the past, resulting in lax discipline and loose management. Drawing a lesson from the bitter experience, the unit started to study the rules and regulations, made sustained efforts for years, and completely changed the unit's outlook. The unit was regarded by the local government and the people as the "Wumeng Iron Force." In the course of studying and applying the rules and regulations, all units summed up similar examples, enabling officers and men to profoundly realize that rules and regulations are the magic weapons necessary for the Army's administration and management work. Hence, they became more conscious in studying and applying rules and regulations.

### 2. The "Rules and Regulations Craze" Is the Need for Implementing Military Strategy and Principles for the New Period and Also the Call for Enhancing Army Management Work in the New Situation

The drive to study and apply the rules and regulations is by no means accidental. It is needed for implementing the military strategy and principles for the new period and is also the call for enhancing the Army's practical work.

China's army building has undergone two major changes in recent years: In terms of the tasks undertaken by the Army, we should effect a change from fighting wars under general conditions to fighting local wars under high-tech conditions. Therefore, it is necessary to speed up the pace of modernization. As the units are being equipped with modern weapons, they are now facing the problem of backward management. Viewed from the social environment, the change from the planned system of the past to a socialist market economy and the substitution of a new system for the old one have brought both positive and negative factors to the military barracks. The whole Army, from bottom to top, is thinking and pondering: Can our Army withstand the new test? In the face of the two major changes, a number of our leaders did experience hesitation and perplexity. Through practice they gradually reached an understanding — the more our units become modernized, the more they should exercise regularized management and follow the rules and regulations.

Many units participated in the different scales of exercises jointly conducted by the three forces. The modern military exercises required the units to unify their action in light of rules and regulations and apply the rules and regulations to foster the styles of vigorously and

resolutely carrying out orders, working in concert and harmony, and reacting quickly—which are required for fighting modern wars.

The leaders at all levels throughout the Army have profoundly realized in recent years that because of the influence of various social factors, difficulties in management work have become an outstanding problem in army building. After entering a special economic zone, a regiment, in view of the changes in social environment and the new circumstances of increased contacts between officers and men and the community, strengthened management in light of rules and regulations. From the commanders to the rank and file, everyone enforced strict discipline and no accidents or problems of any sort took place throughout the regiment. The spiritual outlook of the unit was gratifying and the local government and people called it a "civilized unit." Practice has proved that the rules, regulations, and provisions, which served as the ground for management, contained rich ideological content and played an important role in establishing correct thinking and fine moral values. They constituted a sharp weapon for our Army to resist all sorts of negative factors and decadent ideas in the new situation. They were also the foundation for us to maintain the qualities of the people's Army.

### 3. Follow the Laws Governing Regularized Management and Regularize the "Drive To Study and Apply Rules and Regulations"

The drive to study and apply rules and regulations has just started; how should we make it long-lasting and fruitful? Through practice the units reached understanding on the laws governing the development of things.

First, to regularly apply the rules and regulations, it is necessary to first study them regularly. From a large amount of findings, the Military Affairs Office of the General Staff Department discovered that an essential reason for the failure to implement regulations among the men is that they did not understand the rules and regulations. "A person may realize his shortcomings only after study." A strong sense of rules and regulations is not attained spontaneously. It is acquired by earnestly studying and profoundly understanding them. There are two misunderstandings on the question. First is conducting rush studies and reciting the rules and regulations in order to deal with the inspections and appraisal by higher levels, and then shelving the issue after the examinations. Second, it is enough that everyone knows the rules and regulations and unnecessary to repeatedly study and recite them. We should overcome these two mistaken tendencies and regularly study the rules and regulations.

Second, implementation of the rules and regulations should rely on repetition 1,000 and even 10,000 times. From an ordinary youth to the military barracks and then to a qualified soldier, one must undergo a change in ideological beliefs, habits, behavior, and internal qualities, which cannot be naturally achieved by merely wearing the uniform. Soldiers from the guard of honor of the Beijing Garrison, also known as the "military pacesetter," said that fine qualities of servicemen are tempered through tough training and hard work and by implementing the rules and regulations one by one. Even when soldiers trained strictly in accordance with the rules and regulations have taken off their uniforms, their unique fine qualities can be traced through their words and deeds. Such qualities are called combat effectiveness in the Army and competitiveness in the locality. As rules and regulations are branded on these soldiers, the fine qualities will remain even with the passage of time.

Third, the drive to study rules and regulations has been carried out at the same time within the organs and units. In recent years, officers of the organs of the military regions and three general departments have gone in batches to the units to serve as soldiers and hold positions in acting capacity. By participating in the practical work of the units, they profoundly realized that the root problem of rush and muddle long prevailing at the basic levels lay within the organs. The reason is that it was difficult for the lower levels to deal with the large numbers of orders coming from various leading organs. Creating a mood within the whole Army, from the generals to the soldiers, of studying and applying rules and regulations, will inevitably create a situation whereby the organs guide work strictly in accordance with the rules and regulations, the units operate normally in light of the rules and regulations, and officers and men standardize their words and deeds strictly according to the rules and regulations; this will maintain order in the Army's regular combat readiness, training, work, and livelihood.

**PRC: Wuhan Military Representative Bureau Established in Hubei**

SK3005052896 *Wuhan HUBEI RIBAO in Chinese*  
11 May 96 p 1

[FBIS Translated Text] With the approval of the Central Military Commission, the Wuhan Military Representative Bureau was established in Wuhan on 10 May. Attending the inaugural meeting were leaders of the organs under the General Staff Headquarters of the People's Liberation Army, leaders of Hubei Province and Wuhan city, and general military representatives of more than 30 military industrial plants in Hubei and

Henan provinces. The adjustment of the staff of the organs and the subordinate sections of the bureau has been completed smoothly.

**PRC: Hubei Wuhan National Defense Education Center Established**

SK3005054596 *Wuhan HUBEI RIBAO in Chinese*  
11 May 96 p 1

[FBIS Translated Text] The "Hubei Wuhan National Defense Education and Military Simulation Center," built with the investment of enterprises, has entered the stage of building infrastructure and collecting weaponry data of various kinds. This center is slated to become available on 1 August next year.

This center is being built with the 65 million yuan of investment provided by the Shidai Real Estate General Development Company under the Guangzhou Military Region and by some other units. This center will be comprised of 10 major parts on national defense education and four major parts on military simulation, and will be built into a first-class indoor national defense education base of the country.

To ensure the construction of this center, the provincial national defense education committee has decided to set up a "preparatory and guidance committee" for building this center, with Qian Yunlu, deputy secretary of the provincial party committee, as its chairman, and with Xu Shiqiao, political commissar of the provincial military district, as its vice chairman. On the afternoon of 7 May, Xu Shiqiao convened the first meeting on this project at the commanding center of the provincial military district.

**PRC: Government Vows Continued Crackdown on Piracy**

OW2905132496 *Beijing ZHONGGUO XINWEN SHE in English* 1302 GMT 29 May 96

[FBIS Transcribed Text] May 29 (CNS) — The Chinese Government will continue to strike hard on those who import, manufacture or sell pirated products — this is the very clear message delivered by the task force composed of government officials from public security, culture, television broadcast and publications departments.

As a result of the recent anti-piracy campaigns, a great many dens were raided and a very huge quantity of pornographic and pirated audio-visual products were seized.

Roughly, a total of over 52,000 operations were launched on a nation-wide basis, which were instrumental in seizing some 3.2 million prohibited

CDs and VCDs - including 67,867 obscene, 4,305 anti-revolutionary and 3.1 million pirated ones - plus about 3 million obscene, 11,540 anti-revolutionary and 1 million illegally-reproduced publications from 210,000 outlets throughout the country. Illegal outlets including the most notorious ones in Zhejiang and Guangdong provinces, were shut down immediately. The authorities also sent resident supervisors to 37 CD or VCD factories across the country.

**PRC: Beijing Railway Police Intensify 'Strike Hard' Campaign**

OW2905130296 *Beijing ZHONGGUO XINWEN SHE*  
in English 1232 GMT 29 May 96

[FBIS Transcribed Text] May 29 (CNS) — Pinpointing crimes threatening the personal and property safety of passengers and cargoes on board, Beijing railway police intensify their "Strike hard" campaign. Their operations have paid off with 235 suspected offenders in connection with 231 cases arrested, making the journeys to and from Beijing more pleasant and secure.

76 fugitives wanted by other provinces/cities have been also seized, including a suspected murderer who has been sought by the Inner Mongolian police for two years and another hardened criminal allegedly committing crimes of rape, robbery and theft.

Furthermore, local police also unearthed an alarming case of cargo robbery which occurred on a train running from Beijing to Baotou in January this year. Three suspects were captured.

Beijing Police said that since the massive anti-crime operations were launched, heinous crimes which frequently took place on the trains such as illegal abduction and trading of women, drug trafficking, theft and robbery had declined sharply.

**PRC: Shaanxi Commentator's Article on Fighting Crime**

SK2505104996 *Taiyuan SHANXI RIBAO* in Chinese  
29 Apr 96 p 1

[SHANXI RIBAO commentator's article: "Further Consolidate and Spread the Results of the Struggle Against Criminal Rings and Evil Forces in Society"]

[FBIS Translated Text] Along with the successful progress in concentrated trials of criminal cases, the province's special campaign of dealing relentless blows to serious criminal offenders, with a focus on criminal rings and evil social forces, has embarked on a new high tide. During the current special campaign, all the judicial, procuratorial, and public security organs in the province have, under the unified leadership of

party committees at the provincial and all other levels, engaged in the campaign in close coordination and through joint efforts and have dealt hard blows and made concerted efforts to wipe out criminal offenses by carrying forward the fine tradition of combining dictatorship organs with the masses. As a result, a number of criminal rings and evil forces jeopardizing society and harming the people have been smashed, and a number of principal offenders in homicide, rape, serious theft, pornography, and human trafficking cases as well as some other serious criminal offenders have been punished severely and promptly according to law. This indicates that success has already been achieved at the preceding stage of the struggle against criminal rings and evil forces.

The special struggle against criminal rings and evil forces at the preceding stage has dealt a hard blow to the arrogance of criminal offenders and effectively checked the rampant trend of criminal offenses, thus obviously improving social order and greatly enhancing the people's sense of security. However, we must remain sober-minded, have a scientific, objective, and correct appraisal of the province's social order situation, and fully understand that under the generally stable situation, some criminal activities remain quite serious, social order in some localities still does not justify blind optimism, and some unstable factors still exist in some aspects. To resolutely and effectively safeguard social stability and create a fine environment featuring long-term order and stability for the smooth progress of the province's reform, opening up, and economic construction, judicial, procuratorial, and public security organs at all levels should carry forward the fine tradition of conducting continuous fighting and hotly pursuing and fiercely attacking criminals; in order to wipe out criminals' trust that luck is on their side, deal even swifter, stronger, and more fierce blows to criminal offenders without allowing them a breathing spell; and adopt effective measures to prevent criminal rings and evil social forces from resurfacing and staging a comeback in order to further consolidate and spread the results already achieved in the current campaign.

In line with the arrangement and demand of the provincial party committee, leaders at all levels — judicial, procuratorial, and public security organs at all levels — and cadres and the masses in all circles should approach the importance and necessity of the current campaign from the perspective of politics, ideology, and economic construction and should fully and clearly realize that this campaign is a strategic and important move related to overall stability, the feelings of the people, and reform, opening up, and economic construction. By firmly and unswervingly implementing the principle of dealing

swift and severe blows to criminal offenses according to the law, we should manage to crack cases, conduct prosecution and trials, and execute court verdicts as quickly as possible and give severe or capital punishment to offenses as appropriate. We should handle cases in strict accordance with laws in order to ensure the quality of handling. Sticking to the principle of regarding facts as the basis and laws as criteria, we should guard against a sloppy workstyle in handling cases, should never ignore a single questionable detail, and should not only avoid indulging criminals but also avoid wronging any good persons in an effort to make sure all the cases handled are supported by ironclad evidence and can withstand all examination.

The crackdown in the next stage is still primarily targeted at violent offenders committing crimes with guns; bus and train marauders and village bandits who run wild in villages and towns, commit all manner of crimes, and ride roughshod over the people; criminal gangs that rape women; criminal rings committing robbery and appalling theft cases; gangs that manufacture and sell pornographic materials; rings that abduct and sell women and children; and other serious criminal offenders. We should spread the campaign from some spots to all areas and make reasonable arrangements for the crackdown. Not only should we give prominence to major targets of the crackdown, but we should also carry out an all-round attack against other criminal offenders so we can spread a net of justice from which the criminals will be unable to escape. Cadres and policemen of public security, procuratorial, and judicial organs should be duty-bound to shoulder the heavy historic mission of "striking the criminals, protecting the people, punishing crimes, and serving the four modernizations." They should carry forward the dauntless spirit of fearing neither hardships and difficulties nor shedding blood and death. They should also wage a heroic struggle against criminal offenders. The people in all circles should go into energetic action, cooperate with dictatorship organs to expose crimes, and bravely struggle against all the criminal activities that jeopardize social order and public security. If we do this, we should be able to engulf the criminals in the boundless ocean, in which they are like rats running across the street and being chased by all passersby; can engulf the criminals in a tight corner in which they have no place to hide themselves and have no opportunities to commit crimes; and can ensure that social order and public security will turn for the better. We should further strengthen and expand the sphere of comprehensive management of social order. In line with the principle of paying equal attention preventing crime and cracking down on it as the predominant issue, we should manage to form a strict and effective network of comprehensive management in which all professions

and trades make concerted efforts to struggle against criminal offenders and the personages in all circles take an active part in the struggle. We should strengthen the supervision, education, and reform of those persons who are under surveillance, who are under probation, who are exempt from punishment, and who are released from labor reform and labor re-education. We should intensify the help and education to key criminal offenders, reduce and prevent crimes as far as possible, and try our best to eliminate opposites and unstable factors in society in order to wipe out criminal trends in the bud.

The criminals who are now committing crimes and who have not been arrested should be earnestly admonished of the fact that party policies and state laws are consistent and will not change, and thus their sole correct and wise choice is to forsake darkness for light, turn over a new leaf, surrender to the police, and expose the crimes of others to gain lenient treatment. If they are incorrigibly obstinate, cling to their old courses, and even continue to commit crimes despite the crackdown, they will certainly be cast aside by the people and be severely punished by state laws.

#### PRC: Henan Armed Police Corps Rectifies Work Styles of Cadres

*SK3005022696 Zhengzhou HENAN RIBAO  
in Chinese 5 May 96 p 2*

[FBIS Translated Text] On 16 April, the Henan Provincial Armed Police Corps successfully accomplished the task of educating the cadres of the organs under the corps, and rectifying their thinking, work styles, and discipline.

After being upgraded from the division level to the sub-army level and readjusting its leading body, the provincial armed police corps conducted education to comprehensively help the cadres, particularly the leading cadres at or above the regiment level strengthen their ideological and political work and work styles, enhance the sense of discipline, and improve their ability in doing professional work. In line with the problems related to some comrades' ideas about politics, ethics, work styles, and disciplines, and some cadres' ability in doing professional work and guiding the building of the army, the corps first organized the cadres to conscientiously study the relevant works of the proletarian revolutionaries of the older generation, particularly Chairman Jiang's important instructions and the "general political department's opinions on strengthening the education and management of senior and middle-ranking cadres"; and adopted methods, such as mobilizing all the cadres to participate in the discussions on special subjects and dissecting and analyzing both positive and negative examples, to educate and guide the cadres

to upgrade their ideological understanding. Based on this, they deeply made criticism and self-criticism and worked out measures to help each level correct and rectify problems. They immediately solved problems that needed to be solved immediately, listed the problems that could not be solved for some time, defined the time limit for a solution, strictly carried out a responsibility system, and gained noticeable results in rectification.

Zhang Tianzhu, newly appointed commander of the corps; and Feng Wencheng, political commissar of the corps, pointed out: Through education and rectification, the party committee standing committee of the corps should appear among the cadres of the organs under the corps with a new attitude, and the organs under the corps should appear among the armed police units across the province with a new look. Under any circumstances, we should ensure that the orders of the party Central Committee and the Central Military Commission with Comrade Jiang Zemin as its nucleus are resolutely obeyed, persist in the spirit of assuming high responsibility for the stability of the state, further strengthen the ideological and political construction, solidly attend to the on-duty training of the army and the fulfillment of the army work tasks, and be ready at all times to fulfill the tasks entrusted by the party and the people.

**\*PRC: Jinan Political Commissar on Developing Servicemen**

96CM0213A Beijing ZHONGGUO JUNSHI KEXUE [CHINA MILITARY SCIENCE] in Chinese 20 Nov 95 No 4, pp 57-66

[Article by Lieutenant General Tan Naida (6223 0035 6671): "On a Cross-Century View on Military Personnel and Developing Qualified Servicemen"]

[FBIS Translated Excerpt] [Passage omitted]

**II. Foster a New Military Personnel Training Concept Geared Toward the 21st Century**

At the turn of the century, different demands are being put on military personnel. The decisive factor in the outcome of future wars will be a body of talents who have adapted to the demands of warfare. Concept is the precursor of action. To train a group of military personnel to meet the needs of national defense and army construction in the future, we must foster a new military personnel training concept for the next century.

**1. A Military Personnel Training Concept for the New Era**

Talent is a concept with historical context, but also embodies fresh characteristics of the times. Military personnel training that is geared to the new century

should have a strong sense of the times and clearly reflect a new thinking on personnel training.

A starting point for a new concept of the times should fully acknowledge the background of peace and growth that characterizes the times. At the turn of the century, the international situation is more relaxed; China basically is no longer under the threat of all-out war, and we welcome the new situation of socialist modernization. The strategic change in guiding ideologies has injected a huge motive force into national defense and army construction, and military personnel training has begun a new course. We are at the threshold of the 21st century. In this new era, military personnel training should focus on the long-term needs of the Army and national defense, pay attention to the long-term effects of military education, vigorously reinforce basic education, strengthen regular military education, and strive to nurture cross-century talents. Through the hard work of our generation, we strive to put this country's military education among the ranks of world-class military education. This is what the new era of national defense and army construction urgently demands from us.

A very important connotation of the new concept of our times is to develop a consciousness for high-tech and advanced science. Science and technology are combat forces. In the 21st century, people will enter the information age; science and technology, especially high-tech, will have a decisive impact on all social practices and production, including military activities. We are facing the challenges of high-tech future wars and their threats. In the new era, national defense and army construction will find advanced and state-of-the-art technologies transforming and eliminating traditional technologies to eventually occupy a basic and commanding role. Future national defense and army construction will require not only many specialized technical personnel who are well-versed in high-tech but also high-ranking commanding and management personnel, political work personnel, and logistic personnel who are well-educated in advanced science and technology. Compared to the technological factor in traditional military personnel training, the new concept treats advanced science and technology as a basic requirement, and therefore, we must foster a high-tech concept in military personnel training today.

The new concept should also foster the spirit of submitting to the nation's construction as a whole and of arduous struggle, hard work, and thrift in conducting military education in view of the state's limited input in army construction; it should also foster the spirit of continuous advancement and courageous creation as the state and the Army undergo in-depth reforms that mark the trend of the times; the patriotic spirit that makes the

state's interest the highest criterion to become a strong army capable of defending the country amid a turbulent international environment and complicated international military struggle; and the sacrificial spirit of love for national defense and devotion to military educational undertakings under the conditions of a socialist market economy.

### **2. A Concept of Openness in Military Personnel Training**

Openness is a basic condition if the social system is to have vitality. Although military activities are relatively independent in nature, army education and military personnel training should be open.

The nurturing and bringing to maturity of military personnel cannot be separated from an open, nurturing environment. In the early days of army construction, China already paid close attention to absorbing servicemen from different backgrounds (including the old army), fully assimilating China's traditional and Western military theories. In the early days of the PRC, we studied and learned from the Soviet Union's military education, especially their military academies, and greatly improved the commanding officers' and professional personnel's military qualifications, giving the modernization of the Chinese Army a fairly high starting point. Today, under the new situation of reform and opening up, military education and personnel training must be even more conscientious about being open.

In discussing military personnel training, Deng Xiaoping pointed out emphatically that we must be geared toward the world, toward the future, and toward modernization. This means our military training must blaze a new trail to exchange ideas with foreign armies, especially foreign military academies, so that we can directly study and learn from the experiences of foreign armed forces' modern military personnel training. We should regularly dispatch a number of personnel to study abroad, pursue further training, and broadly assimilate new knowledge and new technologies to bring the military personnel to maturity even faster and more comprehensively and to facilitate our learning foreign armed forces' good military theories and combat and training methods and experiences. An important aspect of the open concept in training and selecting personnel is to break through old ideas and traditional experiences that prevented people from showing off their talents. We must nurture and select all kinds of talents without limiting our choices; we should consider training all fine elements in the Army and all useful people in the country. To train high-level, joint military command personnel, we must break through the framework of relying only on the Army to look at all three branches of the Armed

Forces. To nurture tactical combat commanding officers in the Army, we should no longer limit ourselves to people with infantry experience and look at all branches of the military. For a source of grass-roots Army officers and specialized technical personnel, we should open the doors to people with advanced scientific education and knowledge and specialized technical skills nationwide.

### **3. A Concept of Systematic Military Personnel Training**

In terms of personnel organizational structure, a modern army is a combat group consisting of all kinds of talents. The system's internal division of labor is increasingly fine, and its structural format is increasingly complicated. It is fair to say that modern warfare is the contention between groups of talented people from opposite forces. Victory is not only determined by the decisions of the high-level commanding officers, but also constrained by the ability to give play to the functions of personnel specialized in different areas. A scientific mix of military personnel groups can release the maximum combat capability. Therefore, when we talk about training military personnel today, we are no longer referring to the ancient idea of producing a few generals; instead, we want to delve into a grand project to produce many different kinds of talents. In other words, training contemporary and future military personnel requires a systematic approach.

To develop a systematic military personnel training concept, we must first consciously include military education and military personnel training in the state's greater education and personnel training system. Education of all people is the foundation of military education; military education is a special branch of state education. We must realize that, on the one hand, the primary purpose of military education is to conduct specialized military re-education on top of the all-people's education in arts and science; all-people's education is the starting point in bringing up military personnel. On the other hand, the scope of military education is nevertheless limited, and no matter how well-developed our military education, it is not possible to have special schools or to provide specialized training for every trade; many specialized technical personnel must still be trained by the state or the localities. This means we must be skilled in recruiting talents from the state's greater educational system and do a good job linking military education to the all-people in arts and science. We should also realize that in a relatively peaceful environment, military personnel training must focus on the needs of army construction and combat but also take the needs of the country's socialist construction into consideration. We must train talented people who can fight wars but also contribute to various construction-related undertakings.

An important point in developing a systematic military personnel training concept is that we must thoroughly understand what is needed of our military personnel in the future as we reform and improve the military education system. This means we must start out from the objective needs of the Army's systematic structure in the 21st century, set up a college education and troop training system that is properly planned and complete with a full array of departments, that allows people to move up step by step, and is equipped to train many kinds of military personnel. According to this requirement, it is not difficult to find out where our system falls short today.

Of course, to follow this systematic military personnel training concept and eventually apply it to the training of a specific kind of military personnel or an individual, we must emphasize the scientific and rational nature of the people's knowledge and skills and emphasize converting that knowledge into practical work capability. What is noteworthy is that future military personnel must command a comprehensive mix of knowledge and skills and also be specialized, have a solid foundation, and still have room for long-term development.

Because the Army's many disciplines are increasingly specialized and each individual's knowledge and skills are limited nevertheless, if the people from one department are transferred to another, they may become just another group of ordinary or even useless men; a lower-rank personnel promoted to a higher-rank job may not have the ability to handle that job. Therefore, in training different kinds of people, we must make sure they are highly specialized in one field, but also have the ability to handle other jobs; they must plant their foothold in one primary job, but set their eyes on long-term development.

#### 4. A Development-Oriented Concept of Training Military Personnel

Looking at issues from the perspective of future development is fundamental to the Marxist theory of knowledge. The 21st century will arrive soon, and at that time, everything from the world's strategic environment to the state's economic construction will put great demands on the Army's ability to fulfill its duties. Therefore, we must set our eyes on the 21st century and make every effort to discover and nurture talents for the next century. This is not only one of the strategic requirements of military personnel training, but is also an important link that ensures our Army's successful entry into the 21st century. The development-oriented military personnel training concept we speak of includes three areas: One, we must set personnel standards with room for future development. Personnel standards change with the

times; they should be adjusted to keep pace with the changing political, economic, strategic, and technological environments. Today, we should mainly focus on how the troops are set up and how warfare may develop in the early part of the next century when we select and train grass-roots commanding personnel and specialized technical personnel. Two, we must handle correctly the relationship between transition-type personnel and development-type personnel. Transitional personnel refers to those without developmental potential but are currently still playing a role, and we should give full play to their special skills. But even more important is that we should vigorously train and utilize future talents who have great untapped potential. If we focus only on today's political, economic, military, and especially technological environments in selecting military personnel, we will not be able to guarantee meeting the Army's needs in the 21st century. Three, the people themselves must embrace new ideas and grow. Modern science and technology are being developed everyday; the renewal cycles have been greatly shortened. Recent practices proved that an Army officer must acquire new knowledge at a rate of 6 to 10 percent a year, and this percentage may rise in the future; otherwise, his knowledge will eventually become outdated and obsolete. Therefore, modern Army personnel must continuously assimilate the nourishment of new science and technology, grow with the times without stalling or stopping.

#### III. Gear to the World, to the Future, and to Modernization in Vigorously Strengthening Military Personnel Training

To meet the needs of the development of various construction and undertakings, the state has formulated and has put into effect, a developmental strategy for personnel training for the 21st century. This strategy outlines a magnificent blueprint for personnel training that starts out realistically and is geared to the world, to the future, and to the Army's modernization; it is the important basis for formulating our military personnel training goal and program. I believe that, as we take the Army's situation into consideration to formulate a military personnel developmental strategy and implement the idea of gearing to the world, to the future, to modernization, as emphasized by Deng Xiaoping, we must grasp the following points:

##### 1. We must do a good job forecasting military personnel recruitment.

Forecasting is the scientific method of revealing future prospects and is a prerequisite in setting strategic developmental goals. In studying military personnel training and recruitment strategies, we must first ascertain our

military personnel needs in the 21st century, take into consideration the state's and the Army's situation today, and do a good job forecasting the recruitment strategy. Through forecasts, we can put the military personnel recruitment program and its implementation on a base that is in line with the objective reality. Focusing on the actual supply and demand for servicemen and the main problems in personnel training and recruitment, military personnel recruitment forecasts should focus on, emphasize, and discuss the strategic needs for servicemen, the composition of the personnel groups, and the quality-mix of the people. The question of the strategic needs for personnel has already been explored in detail earlier in this article when we talked about the general trend of demand for personnel and other issues, and we will not further discuss it here. Instead, we will focus on the question of forecasting the composition of the groups of people and their quality-mix.

The composition of a group of people is the key link which all armies pay attention to in the selection, management, and utilization of personnel and in improving work efficiency and combat efficiency. In the last decade or so, the Chinese Army has on several occasions rectified its personnel structure along with the reforms of the Army setup, the military ranking system, and the educational and training institutions. Such undertakings played an important role in complementing the efforts to raise the Army's management, combat, and command standards; they helped to improve the Army's setup; and accelerate the Army's modernization process. But judging by the current situation, the composition of military personnel still needs to be improved. Specifically, the proportions of different types of personnel are unbalanced — overall, the ranks of Army officers are under-educated in science and inadequately trained in technologies; among the mid- and high-level commanding and management personnel, there are more "artists" than "scientists," and they are ill-suited for modern Army management and command. From the standpoint of forecasts, if these problems are not promptly resolved, it will affect the progress of the Army's modernization. It is vital to our Army's successful entry into the 21st century that we do a good job forecasting the composition of military personnel, purposefully readjust the proportions of different types of personnel we want to train, and emphasize the training of advanced science- and technology-oriented personnel.

The quality-mix of the military personnel is the individual base that determines the Army's quality-mix and quality construction. The Chinese Army has always attached great importance to nurturing the quality of its personnel, and based on practical experience, it has developed a series of quality control principles, and its

emphasis on both the cadres' morals and abilities is the most fundamental principle. But the specific mix of personnel qualities changes over time. A modern army needs people with modern qualities, and the training of future personnel requires a fairly clear forecast of the quality-mix of future personnel, and we must train people according to the results and requirements of scientific forecasts. The forecast of the personnel's quality-mix is not a one-time endeavor; it must be treated as a dynamic system, and we must follow up continuously and make new forecasts. Only by strengthening the actual forecast of the military personnel's quality-mix can we set accurate personnel standards for the 21st century and lay a solid foundation for personnel training.

## 2. We must clarify the strategic goal of military personnel training.

A personnel training goal is fundamental to the military personnel development strategy. When setting the strategic goal in military personnel training for the 21st century, we must consider several factors, especially the following three constraining factors:

One, the inflexible nature of the Army's function and future wars: China's Army shoulders the responsibility of safeguarding the integrity of the country's territorial sovereignty; it is the important guarantor of the success of our socialist economic construction and is also an important force protecting world peace. In the future, our opponents will primarily be armies equipped with high-tech weapons, armies with tremendous combat capabilities. We must win wars under high-tech conditions. This kind of inflexibility in the Army's function and future wars leaves us little choice. If the Army is to fulfill its function in the future, today it must train personnel according to this requirement to win high-tech wars. We must comply with this high standard of winning high-tech wars when formulating our military personnel training strategic goal.

Two, the contradiction between needs and possibilities: Military personnel training is a time-consuming process. There are only four more years or so between now and the end of the century; early next century will be upon us soon. Wars are not often deterred because one side is not yet adequately prepared. Today, many military powers are in command of high-tech weapons; the superpowers have the ability to fight high-tech-dominated wars. To stop or win future wars, we must accelerate the pace of modernizing the Army. From now until well into the future, the Army's modernization is faced with many conflicts in terms of the large number of personnel needed, the high standards, the long growth-cycle of modern military personnel, and the huge inputs needed. How to resolve these conflicts

is an unavoidable question when setting our military personnel training goal today. We must always insist on high standards when training military personnel; we should mainly take aim at the competition in the world military domain in the next century to make sure that our contingent of military personnel ranks among the world's most advanced. To this end, we must not seek immediate success and quick results or meet immediate needs at the expense of future development by lowering the quality standard in selecting, training, and utilizing personnel. Of course, this does not mean we can take it easy and be unrealistic. The effective way to resolve these conflicts is to accelerate personnel training and strive to turn knowledge and skills into realistic combat capability.

Three, the reasonable composition of the military personnel contingent: In the wake of the continuous high-tech development of weaponry and equipment, a broad spectrum of technologies and knowledge are brought into play in armed struggles. In future military practices, a even greater amount of technologies and knowledge will be put to use. Yet, whether in the past or even today, China's military personnel has a fairly serious problem, and that is its relatively low technological standard. This is directly attributable to the Army's relatively backward, low-tech equipment in the past. We should realize that, aside from the righteousness of our stand on wars, the reason we are able to defeat formidable enemies at home and abroad is mainly that our high-ranking military officials, especially the strategic and combat decisionmakers are versed in arts and science and are well-educated. In a certain sense, our Army's victory is victory in righteousness as well as victory in knowledge, science, and wisdom. What is noteworthy is that the connotation of the kind of knowledge future wars need is changing. We need many scientists and technicians to augment our military personnel contingent. As times change and science advances, those who are active in future battlegrounds will be those military personnel groups with high-tech skills and knowledge.

Based on the above analysis, the strategic goal of military personnel training should be to promptly develop a complete military personnel system characterized by its firm politically stand, its substantial modern technology and knowledge contents, its ability to grasp modern state-of-the-art technologies, and its ability to master high-tech warfare; it should contain, among other things, a national defense and military management group, a military political group, a military engineering group, a troop management group, and a strategic combat commanding and decision-making group and a specialized tactical-technical group who are directly involved in fighting wars.

### 3. We should develop good military personnel training mechanisms.

In the long history of revolutionary war and army construction practices, the Chinese Army has established a set of effective operating mechanisms consisting of military personnel evaluation, selection, training, and appointment mechanisms. In recent years, the Army has continued to introduce new measures pertaining to the restructuring of the Army's cadre personnel system and military education system, and they play a very important role in improving the military personnel management and training mechanisms. But if we measure them against the 21st century military personnel training strategic requirements, they are still inadequate in many ways. For example, the quality standard for military personnel selection is overly-principled, personnel training and utilization policies lack continuity, the supervisory mechanisms are inadequate, and personnel exchange channels are blocked. We all know that the development of all matters basically begins from within, not from the outside. Reform and rectification of the internal mechanisms of military personnel training is the key to solving the personnel training problem. To develop good mechanisms, we must emphasize two links — systematization and standardization.

Systematizing military personnel training: A scientific military personnel selection and appointment system is the foundation of a good and stable military personnel training mechanism. In recent years, the Central Party Committee, the Central Military Commission, and the General Staff Department have formulated a series of guiding principles and regulations on personnel evaluation, selection, appointment, and management. They have played a very important regulatory role in smoothing out the military personnel training mechanisms. Recently, the Central Party Committee promulgated the "Temporary Provisions on Selecting and Appointing Party and Government Leading Cadres" which stipulates the principles, conditions, procedures, and methods in selecting and appointing party and government leading cadres. This is a relatively complete policy- and system-oriented document and plays an important role in guiding our personnel training effort in the 21st century. To make sure that military personnel recruitment keeps pace with the state's personnel recruitment strategy, we should cater to the needs of future army construction and combats and promptly draw up a system-oriented document that gives expression to the special law of modern military personnel training to radically resolve the issue of legislating and systematizing military personnel selection, training, appointment, exchange, and supervision.

**Standardizing military personnel training:** Setting up scientific military personnel training standards is not only the basis of the systematization of military personnel training, but also the assurance of the quality of the contingent of military personnel. Military activities are a special kind of social practice; the quality requirements for military personnel are different from that of the party and government cadres and ordinary scientists and technicians, and military education is also clearly different from regular education. Therefore, we must set up evaluation standards that suit the Army's situation and reflect its multi-formity and diversity, including standards for different kinds of personnel. In addition to quality standards, we should also set specific standards for selecting and training personnel and set standards for military education management. With these complete, scientific standards, we can then standardize training and management.

The formulation and implementation of scientific military personnel training standards and systems will completely legislate and systematize the selection, appointment, management, exchange, and supervision of military personnel training, putting China's military personnel development on a scientific track.

#### **4. We should perfect the military personnel training system.**

The maturity of the military personnel depends on the training system.

A complete personnel training system is an indispensable tool for meeting the Army's cross-century personnel needs. In the last decade or so, especially after making the strategic changes in army construction guiding ideologies, the Chinese Army has adopted a series of measures to rectify the military academies, vigorously reform the contents of education and training, and create a relatively complete military personnel education and training system. But from the perspective of achieving the 21st military personnel training strategic goals, the present personnel training system still cannot meet the developmental needs of army construction. This is mainly because some military academies are so big that the number of trainees and the size of the academies are out of proportion; the education and training they provide are inefficient and substandard; the contents of military education are outdated and one-dimensional; the starting point is too low, and there is no system; the necessary coordination among military academies at all levels is absent. Therefore, in terms of smoothing out and improving the military personnel training system, there is still much work to do.

We must further rectify the military academies; they are the main channels in the military personnel training

system. Since the founding of the PRC, especially in the last decade or so, these institutions have played a very important role in training servicemen, accelerating the Army's modernization, and normalizing the Army's construction. But in recent years, the contradiction between limited input and the institutions' over-extending themselves has intensified.

Some colleges are offering redundant curricula, "under-feeding" the students, while some specialized courses, especially in the high-tech areas, cannot be taught because there is no room for them. This means, as a result, colleges and other types of military academies are generally substandard and inefficient. Therefore, it is essential that we start out from the strategic need to train cross-century personnel to properly readjust the size of the military academies and surmount today's problem of over-sized and redundant academies. Military personnel of the 21st century should come from modern military academies and a system that are of the proper size, that offer a full spectrum of specializations, that have advanced equipments, that are in good working condition, and are highly efficient.

We should raise military personnel training's starting point. Professor Qian Xuesen [6929 1331 2773] once pointed out that the Chinese Army's cadres and warriors were poorly educated, and at that level, they could never meet the needs of modern warfare. He said that to deal with possible wars in the 21st century, we would need to turn our Army into a modernized army; the cadres must gradually attain college-graduate standard. He also pointed out that advancement in military technologies also put greater demand on the soldiers' quality, and state-of-the-art technological revolution would bring rapid development to military technologies, and the Army would become a knowledge-intensive sector. He said that soldiers, especially the commanding officers and staff officers, required advanced scientific knowledge in order to be well-versed in the weapon system and be skilled at commanding and organizing combats during wartime. Thus, he not only pointed out the basic trend of what the Army needed in its personnel but also revealed a common problem in military personnel training, that is, the starting point of military education is too low, and in particular, basic knowledge in arts and science and specialized military knowledge remain in a backward state. The chronic nature of these problems naturally is directly attributable to the low standard of education in the sciences in the country as a whole, but it is also attributable to the relatively simplistic function of military academy education. I believe that to radically change the Army's poor scientific education, the military academies' education must be strengthened in two areas: First, the primary level military academies

should make attaining college undergraduate standard as its basic educational goal; they should insist on providing a regular, basic college-level science education. The mid- and high-level academies for commanding officers should provide regular science courses at a level no lower than the college level. This will help to radically improve the military personnel's inadequate basic science education. Second, we must pay very close attention to systematic, regular professional military education. People who enter directly into the modern army system without receiving regular, systematic advanced education in arts and science cannot handle modern military command and management work, nor can people who have basic scientific knowledge but have not received systematic professional military training effectively handle military command and management work under contemporary conditions. Only by emphasizing the above two areas can military personnel training be elevated to a higher level.

We should strengthen the military practice link. The training and bringing to maturity of military personnel must entail systematic basic education in arts and science and specialized military training, but the process is not complete until they have had direct military practice. China's Army has always emphasized practice when se-

lecting, utilizing, and training military personnel. This tradition and experience of emphasizing actual practices is very valuable. But in the past, the practice tended to proceed without the benefit of regular training, and today, the kind of practical experience we emphasize must proceed on the basis of systematic education and training. In essence, this is practical training and tampering at a higher level that serves a purpose and is a new practice in contemporary military struggle. It includes actual practice in army construction and war. At peacetime, there are few opportunities for direct participation in practical war activities. This requires us to emphasize training and practical activities under simulated war conditions and emphasize assimilating other countries' practical war experiences under advanced and high-tech conditions.

Through the ages, the Chinese nation has had a star-studded group of military talents. The Chinese Army, as a modern people's army, has produced even more talents. At the eve of a new century, as we launch a systematic project to train future military personnel, a large group of military personnel that meets the needs of the new era will continue to emerge.

**General****PRC: Government Promotes Mild Economic Growth**

*OW2905121496 Beijing XINHUA in English  
1142 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — China's savings deposits by urban dwellers have continued to rise in the wake of cuts in interest rates.

The People's Bank of China (PBC), China's administrative bank, decided to cancel deposits with inflation subsidies in April, and a month later they cut down interest rates for deposits and loans.

Despite the increase in deposits, China has seen a decline in fixed deposits and increase in current deposits, according to sources from the PBC.

The ups and downs of deposits have triggered concerns by many economists about whether China's recent move to mildly stimulate economic growth will result in a new round of inflation.

Many financial experts in Beijing shared the view that interest rates, as the indirect means of economic adjustment, will be flexibly readjusted to match the national economic situation. The move, they hold, will gradually be accepted by the general public. In this way, interest rates can be an economic indicator which can mirror China's economic performance and tendency.

China must maintain a relatively fast economic development speed so that it can bring its debt-ridden state-owned enterprises out of red and provide more job opportunities for workers, said an expert.

According to the State Statistical Bureau, China put in 6,000 billion yuan in fixed assets investment in the five years from 1991 to 1995, about 2.1 times of that in the previous five years. The move has greatly improved the country's infrastructure, which has, for years, hampered China's fast economic growth. The good agricultural harvest last year will also help with this year's economic performance.

A joint study by the Chinese Academy of Social Sciences and State Statistical Bureau says that China's national economy will maintain an appropriate growth this year. This year's domestic gross product will jump by around ten percent, more or less the same with that of last year, the study shows.

But economists also warned that the Chinese government should increase loans to those state-owned enterprises whose products sell well and ensure capital supply to the basic industries such as agriculture and infrastructure.

As China will put inflation control as a priority in its macro economic control task in the coming five years, its economic growth will see a mild, gradual and steady development. Therefore, each adjustment will not be big in scale, said a top financial expert.

**PRC: Official on Need To Absorb Overseas Management Methods**

*OW2705155596 Beijing XINHUA in English  
1540 GMT 27 May 96*

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — China should absorb experiences and advanced management expertise from overseas to reform state-owned enterprises, Zhang Haoruo, deputy director of the State Commission for Restructuring the Economy, said today.

Speaking at an enterprise management seminar here sponsored by the Japanese Sumitomo Group, Zhang said that it is crucial for China to continue reforms in the state-owned enterprises through solving in-depth problems that have plagued some of the enterprises.

The state must, with concentrated efforts, succeed in the reform and development of the 1,000 large state-owned enterprises and enterprise groups in the near future, with about 800 of them generating 74 percent of the country's industrial profits and taxes, he said.

Zhang also noted that China should invigorate smaller state-owned enterprises by re-organization, association, merger into joint stock partnership, leasing, contractual operation or sell-out, as their specific circumstances permit.

To reach the goal of reforming state-owned enterprises, China should absorb the advanced management expertise from overseas, as a move to run well state-owned enterprises as a whole, Zhang added.

A total of ten Japanese experts in the fields of finance, insurance and banking will give lectures on management enterprises at the meeting, which was attended by Chinese officials and enterprise representatives.

Yoshiyasu Sato, Japanese Ambassador to China, also attended the meeting.

**PRC: Statistics Show Stable Production Means Supply, Demand**

*OW2805142096 Beijing XINHUA Domestic Service in Chinese 2108 GMT 18 May 96*

[By reporter Zhang Jinsheng (1728 6930 0524)]

[FBIS Translated Text] Beijing, 19 May (XINHUA) — According to the findings of the State Statistical

Bureau's survey, since the beginning of this year, the nationwide supply and demand for the means of production has been quite stable, and the margin of price hikes has continued to decline.

The survey of some 10,000 industrial enterprises in various economic sectors shows that, during the first quarter, the ex-factory prices of the means of production rose 7.3 percent over the same period of 1995. The margin of price hikes is 9.5 percentage points lower than for the same period of 1995 and 1 percentage point higher than the margin of ex-factory price increases for consumer goods.

By sector, the margin of ex-factory price hikes for mining industrial products and raw and semifinished materials registered the biggest decrease. Compared to the same period of 1995, the ex-factory prices of mining industrial products rose 7.3 percent during the first quarter, but the margin of price increases was 27.8 percentage points lower than the same period of 1995. The ex-factory prices of raw and semifinished materials increased 5.7 percent, but the margin of price hikes was 10.2 percentage points lower than for the same period of 1995. The ex-factory prices of processed goods rose 12 percent, which is the same margin as for the same period of 1995. Changes in the ex-factory prices of construction materials were stable. The ex-factory prices of steel products were equal to those of the same period of last year. The prices of nonferrous metals increased by a mere 3.3 percent. However, the ex-factory prices of fuel and power industry products rose substantially, with those of raw coal and electric power increasing by 13.5 percent and 10.5 percent, respectively.

According to analysis, the nationwide supply and demand for the means of production is expected to be generally in balance during the first half of 1996. However, we should not overlook the fact that substantial price increases in recent years for the intermediate products of enterprises have noticeably weakened production enterprises' ability to absorb the price hikes. Raising ex-factory prices has become the main channel by which enterprises shift the price hikes onto upstream products. Hence, ex-factory price increases for the means of production during the first six months will become the main factor leading to overall price hikes for the means of production.

**PRC: New Economic Cooperative Zone Set Up**  
*OW2705092296 Beijing XINHUA in English*  
*0854 GMT 27 May 96*

[FBIS Transcribed Text] Fuzhou, May 27 (XINHUA) — Four East China provinces have joined forces to set

up a new economic zone that will be a new powerhouse for development in the area.

The economic cooperative zone consists of Fujian, Zhejiang, Jiangxi and Anhui provinces and Fuzhou city in East China and has been set up in Fuzhou, capital of Fujian province.

The zone consists of 16 prefectural cities, covers about 250,000 square kilometers, and has a population of 67 million.

Economists in Fuzhou agreed that the establishment of the zone will help the cities to join hands to open wider to the outside world, to bring out each other's superiority, and to promote harmonious development between the East and the West.

The zone, which is located in an area between the Chang Jiang River Delta and the Pearl River Delta plans, will jointly develop natural resources, build transport facilities, develop regional markets and set up key industrial and agricultural projects.

**PRC: Official Says Three Gorges Project Investment Tolerable**

*OW2605015796 Beijing XINHUA in English*  
*0056 GMT 26 May 96*

[FBIS Transcribed Text] Shanghai, May 26 (XINHUA) — China's financial capability can bear the scale of investment in the multibillion dollar Three Gorges Project, a senior company official said here recently.

Yuan Guolin, vice-president of the Chang Jiang River Three Gorges Development Corporation, said that the gigantic project will need a total investment of 240 billion yuan (about 28 billion US dollars) by the time it is finished in the year 2009.

Yuan was visiting this, China's biggest city at the invitation of the municipal government to discuss the progress of the project, the world's largest water-control scheme.

Based on May 1993 prices, investment in the project is 90 billion yuan, equivalent to 10.8 billion US dollars at present.

But the project is expected to continue for 17 years. Considering price rises, loan interest and other factors, the investment may involve 240 billion yuan by the time the project is completed in 2009, Yuan said.

Generally speaking, the investment scale is large, but since it is a long-term project, investment in the project annually is insignificant in terms of the country's overall budget. In 1995 China put 6.5 billion yuan into the project, which only accounted for 0.11 percent of

the country's Gross National Product (GNP) and 0.33 percent of the country's total investments in fixed assets.

The official acknowledged that by 2007 the project will see a financial gap of some 35 billion yuan, most of which would be in existence before 2003. He said the gap would be filled mainly by raising money at home. The country also is considering utilizing foreign funds in the forms of export credits, commercial loans, and issuing stocks and bonds.

"There are many factors affecting the investment in the project during the long period of construction. Besides, these factors are uncertain and complex," Yuan said.

"Therefore, control of investment has certain risks, and discrepancies may appear between the actual investment scale and previous estimates," he added.

To deal with such problems, the company has taken a series of stern measures to control the investment in the project. Investments have been put under multi-level control. A market competition system has also been introduced to reduce costs, the official said.

Control of investment over the past few years has proved to be effective, Yuan said. The funding of the project is smooth at present, and no shortage of money has so far affected the progress of the project, he added.

The Three Gorges Project is a comprehensive project for flood control, power generation and navigation.

When the Three Gorges Power Station starts to generate electricity, the project will be able to repay the loans at the rate of 10 billion yuan a year, becoming a major source of debt repayment.

Yuan said that his company will be able to repay all its debts before 2014.

He also said that debt structure of the project is relatively rational because state assets comprise 50 percent of the project's total assets, which will help reduce its debt burden.

#### **PRC: Government To Publish Property Registration Information**

*OW2805143696 Beijing XINHUA Domestic Service in Chinese 0253 GMT 19 May 96*

[By reporter Zhang Jinsheg (1728 6930 0524)]

[FBIS Translated Text] Beijing, 19 May (XINHUA) — According to information gathered by this reporter from a recent national meeting on property rights registration and management, the National State Property Administration will, in the future, implement a system for issuing announcements on property rights registration.

ZHONGGUO ZICHAN XINWEN will publish announcements on property rights registration on a regular basis.

To preserve and increase the value of state property, and to better protect such property for the state, the National State Property Administration implemented one basic property rights management system after another, such as registration and annual inspections, in recent years. Property rights registration is a key measure for improving property rights management and for averting the loss of state property. The announcements will let hundreds of millions of people know how much "wealth" our country possesses, supervise the way state property is managed and used, and do a good job of protecting state property.

#### **PRC: Campaign To Weed Out Illegal Audio, Video Markets**

*HK3005081396 Beijing CHINA DAILY in English 30 May 96 p 1*

[By Liu Yinglang: "Government To Tighten Markets in Audio, Video"]

[PTS Transcribed Text for FBIS] The Ministry of Culture is set to launch a three-month campaign to weed out illegal audio and video products across the country.

A senior official with the ministry said yesterday that safeguarding the market for approved copies of audio and video products is an important task of the campaign.

The ministry will co-operate with local administrations to set up a distribution channel to provide video stores with legal products.

Videotapes and laser discs intended for home use are not allowed to be shown in public for profit.

In order to show imported videotapes for a profit, permission should first be sought from the department in charge of copyright and the Ministry of Culture, the official said.

To show domestic videos, permission must be granted by the copyright administrations and departments in charge of the audiovisual market above the provincial level.

Starting in June the units wholesaling, retailing, renting and showing audiovisual products will be required to undergo new registration to obtain renewed permission certificates from the Ministry of Culture.

To acquire these certificates, the units should carry at least 600 varieties of original audiovisual products.

Every quarter, these units should purchase at least 40 varieties of audiovisual products.

Video stores should purchase newly published programmes through the main channel of distribution.

Four large-scale markets for wholesaling audiovisual products, under direct control of government departments, will be set up in Beijing, Shanghai, Hubei and Guangdong provinces.

#### **PRC: Key Weapons Firm Turns To Producing Motorbikes**

**HK3005081596** *Beijing CHINA DAILY in English*  
30 May 96 p 4

[By Huang Zhiling: "Weapons Firm Making Motorbikes"]

[PTS Transcribed Text for FBIS] Visitors to the Chongqing Jianshe Industry Corporation, formerly a key weapon producer in the country, are always shown various types of jointly produced Jianshe-Yamaha motorcycles.

Neither host nor visitors show any interest in arms, which the corporation took pride in for several decades.

"With the end of the Cold War, it has become a trend that military factories turn to civilian products," said Ma Zhigeng, deputy general manager of the China National Weaponry Industry Corporation, which oversees the country's weaponry industry.

After the founding of the People's Republic of China in 1949, the Chinese Government gave priority to the development of its military industry.

Fearing attack by foreign invaders, it started building the so-called "third line of industry" in the mid-1960s in the country's vast interior.

From the mid-1960s to the early 1970s, China invested more than 200 billion yuan (\$24 billion) in Sichuan, Guizhou, Yunnan, Shaanxi and Gansu provinces and western parts of Henan, Hubei and Hunan provinces to build 29,000 military factories representing a large share of the country's industrial capacity.

It believed it could rely on that "third line of industry" even if an enemy attacked its coast.

The "third line" construction lay a solid foundation for the country's national defence. But with the detente that has settled over the world since the end of the Cold War, the number of orders for military products has dropped sharply.

Just as military factories started worrying about their survival, the Chinese Government declared in 1978 that it would begin concentrating on economic construction. Two years later, Chinese top leader Deng Xiaoping

called on military factories in the country to turn to civilian products.

Since then, an increasing number of interior military factories have retooled to make consumer goods.

Technology-intensive, military factories boast talent and advanced equipment. The advantages have helped quite a few of them benefit from the shift from military to civilian goods production.

These success stories did not take place overnight.

The Chongqing Jianshe Industry Corporation, formerly the Chongqing Jianshe Machine Tool Factory, was a money loser for eight years because of dwindling orders for its light weapons.

In 1988, it almost had no money in the bank. General Manager Chen Zisheng once said if its employees wanted to hang themselves, the factory didn't have enough money to buy a rope for each of them.

In 1980, the factory started experimenting with production of civilian products.

After years of painstaking efforts, the Chongqing Jianshe Industry Corporation has become the country's third largest civilian motorcycle producer. Last year, it became one of the world's top 10 motorcycle producers.

No longer worrying about how to feed his employees, Chen Zisheng worries whether they can produce enough motorcycles to meet the demands of the increasing number of buyers.

Turning swords into ploughs has benefited the local economy, too.

Most "third line" factories are located in remote areas that have cheap labour, raw materials and a potentially big market, but lack technology and talent. Military factories can remedy their deficiency.

The medium-sized city of Mianyang in northern Sichuan used to be China's important scientific research and production base for the military. It claims that one out of every four people walking in its streets is a scientist or technician.

But this technological advantage initially did not benefit the local economy because of the lack of co-operation between the military factories and the city. The local economy was just so-so, and the city was obscure to most Chinese.

The situation changed in 1991 when the central government chose Mianyang as the first Chinese city to experiment with the transfer from military to civilian production.

Now almost all the scientific research institutes of the military factories are co-operating with local factories to make civilian products.

With the support of the military, Miyang has become the country's important city of electronics. Its Changhong brand colour televisions occupy 25 per cent of the country's colour TV market.

The transfer from military to civilian production has benefited the general public most.

About 50 per cent of China's domestically-made cameras, 65 per cent of the domestically-made motorcycles and three-quarters of the domestically-made minibuses are made by military factories.

But not all the military factories have been so lucky as the Jianshe corporation.

Many military factories, which have long operated in the planned economy, know little about the market and how to find the right civilian product to make.

"About 20 per cent of them still do not know what civilian products to make," said Ma Zhigeng.

#### **PRC: Rising Coal Output Said Mainly From Nonstate-Owned Mines**

*OW2905103096 Beijing ZHONGGUO XINWEN SHE in English 0902 GMT 29 May 96*

[FBIS Transcribed Text] May 29 (CNS) — Output of collectively and privately-run coal mines has accounted for 46.2 per cent of the total national output up to 1995, surpassing that of major state-owned coal mines and becoming a driving force in coal extraction.

According to statistics, China's coal output hit 1.298 billion tonnes, an increase of 219 million tonnes over 1990. Of which coal output of major state-owned coal mines was 483 million tonnes, an increase of 2.9 million tonnes; that of local state-owned coal mines was 215 million tonnes, an increase of 9.8 million tonnes. The coal output of township and private coal mines hit 600 million tonnes, an increase of 206 million tonnes. 94 per cent of increased coal output came from collectively and privately-run coal mines.

#### **PRC: Anshan Iron, Steel Group Draws Up 15-Year Plan**

*OW2805130696 Beijing XINHUA in English 1248 GMT 28 May 96*

[FBIS Transcribed Text] Shenyang, May 28 (XINHUA) — The Anshan Iron and Steel (Group) Inc, one of China's giant iron and steel producers, has drawn up its blueprint for the coming 15 years.

The company's Ninth Five-Year Plan (1996-2000) and plan for the 2000-2010 period have been approved by the State Planning Commission and the State Economic and Trade Commission.

The company plans to raise its annual iron output to 8.8 million tons by the turn of this century.

In the meantime, the annual output of rolled steel will reach 7.95 million tons, of which steel plate and tubes will account for more than 60 percent.

The company will also focus on upgrading its major equipment, to make 90 percent of its total iron and steel products reach the world quality standards by the year 2000.

In order to realize its goal, the company has launched a program to expand its production capacity during the 1996-2000 period by upgrading its major production lines.

#### **\*PRC: Enterprise Response to International Investment**

*96CE0199A Beijing JIDIAN RIBAO in Chinese 14 Mar 96 p 2*

[Article by China FIE Association Vice President Zhang Shantang (1728 0006 1048): "The International Business Investment Strategy in China and the Response by Chinese Enterprises"]

[FBIS Translated Text] In the 16 years from 1980 to the present, China has approved the establishment of 245,917 foreign-invested enterprises [FIE's], with an agreed foreign investment of \$352.865 billion, and \$122.591 billion of foreign capital actually invested. China still attracts more foreign investment than any other developing country, attracting less only than the United States, to make us the world's second largest attractor of foreign investment. Our basic foreign investment features are: Our project scale is growing yearly, with the real amount of investment up, our industrial structure adjusted, and quality somewhat improved; multinational corporations are investing more, with overseas firms favoring the Chinese market; our investment sources are diversifying, with the investment region expanded; a larger ratio is being invested in the golden Chang Jiang waterway headed up by Pudong, Shanghai, our northern coastal zone, and central and western China; most foreign-invested operations are going normally, with a larger foreign trade scale, and operating efficiency and social benefits both showing up better, to play a more positive role in China's economic development.

Meanwhile, it also needs to be noted that: The investment scale is not large, with the project level being too

low-tech, particularly with a very low ratio of multinational and high-tech investments, the grade being low, and the development between industries, forms, and regions being imbalanced; our foreign investment inventory [qualitative] is not being adjusted forcefully, with our foreign investment incremental [quantitative] and investment guidance being weak; coordinated domestic reform steps are slow, with capital being too tight and our operating climate not optimistic. As the downplaying of domestic preferential policy toward foreign investment, with certain policies being revised frequently, the growing international trade protectionism, and the rise of surrounding countries, are sharply affecting China's attraction of foreign investment, we need to conscientiously study the international business investment strategy and our proper response to it.

#### International Foreign Investment Trends and New Strategies

It needs to be noted that the faster multipolarization of today's world, with global economic adjustment and reform, and the ever-growing world scientific and technological [S&T] revolution, are driving the integration of the world economy to a new stage of development. And the multilevel interdependence appearing in international economic relations, with the economic interests of all countries steadily shifting and developing, is driving to varying degrees regional economic development, to speed up the formation and development of multilateralism and international coordination forces. So it can be said that these crucial changes in the world economic order are putting multinational economic activities into a multilevel coordination space. Correspondingly, the form, aim, purpose, and role of traditional international direct foreign investment are changing profoundly both intensively and extensively. And the international foreign investment multi-orientation, reciprocal rights and obligations, foreign investment strategy, and real affiliation and cooperation are consequently experiencing sharp change. As this is providing new opportunities and challenges for us in opening up wider to the outside world and attracting foreign investment, as well as the practical terms and grounds for wider operating space in attracting foreign investment, we need to make a high-level strategic reassessment. Since the 1980s, the takeoff of the Asia-Pacific economy and the gradual regional economic grouping in places such as Latin America and Europe, particularly China's huge reform and opening successes, have shifted the international multinational direct investment order. Many large multinational consortiums not only have started to bring developing countries into their global corporate development system, but also have begun to set up agencies in various countries and regions to engage in long-range in-

country fact-finding and research. The substance of such fact-finding is mainly natural resources, market space layout, investment price, commodity quality and productivity, government policy (encouraged investments or restraining factors), social development (short- and long-range national development plans), infrastructure terms (legislation, transportation, and communications), and ideology (cultural, political, and economic systems and artificial commodity and labor trade barriers). The hope is to consequently find suitable investment sites and projects for an effective and rational disposition of production advantages such as capital, technology, management, and market sales, to earn long-term and high profits.

The reformed and opened up China, where market forces are improving steadily and the degree of market openness is gradually expanding China's unique regional advantages, is now becoming a key part of the global competitive strategy of multinational corporations. Over 200 multinationals from developed nations such as European countries, the United States, and Japan have invested in China. The basic features of such multinational investment in China are:

—An emphasis on long-range development strategy goals. When multinationals decide to invest in China, their major emphasis is on long-range profits, with certainly no very excessive demands as to immediate investment profit rates or returns. Despite temporary difficulties such as capital shortages affecting enterprise operations or losses being sustained, they very seldom withdraw their investments. And they take out very little of the profits earned on their investments, rather using them mostly for reinvestment or expanded enterprise reproduction.

—Investment decisionmaking is cautious, with very long negotiation periods. Investment project demonstration and decisionmaking generally takes three to five years or even longer. The early-stage project preparations are quite amazing. From the macroeconomic to the microeconomic, and from political to economic, they are nearly all-embracing, with each and every aspect attended to without omission. Moreover, the initial investments in many projects are very small, extremely out of line with the size and might of the parent company. For instance, while the U.S. IBM Corporation is one of the world's 10 largest industrial multinationals, with annual sales of over \$70 billion, after repeated long-range fact-finding and demonstration in China for years, it invested only \$300,000 in Tianjin, which was obviously an exploratory investment.

—Investment aims are diverse, systematic, and gradual. Multinationals have diverse aims in investing in China.

including their investment projects in their regional or global production and marketing networks. Multinationals do not limit themselves to investment in the production of a certain product, rather investing in a whole industry's upstream and downstream industrial projects, for systematic investment. This is obviously different from the traditional direct overseas investment. The pattern of action is to form a multinational disposition, coordination, and management of all operating links of the parent company's overall production resources and asset value appreciation, to systematize and integrate the composite multinational operating strategy and multi-level production and marketing network.

The specific application is generally requiring China to open its market, or first using cooperative agents or exclusive sales of its parent company products, for mutual understanding, coordination, and development focused on test-marketing of its products, technology, management expertise, and even [marketing] psychology, to create an overall climate of cooperation, and then to gradually move into the joint venture, production, contractual joint venture, research, and development stages. For instance, China-Hewlett-Packard cooperation was set in high-level U.S.-China government talks in early 1979, with a memorandum of understanding signed in 1980, and Chinese Government approval won in 1981 for exclusive sales of the products of its U.S. parent company. It adopted a completely reverse development strategy, going from exclusive product import and sale through negotiated establishment of a joint-venture enterprise, market-oriented formulation of enterprise production, and cooperative research to joint development of new technology and new products. After five years of development, it started to move in 1990 to regular development, going from increased investment through production mfg. and market sales to cooperative development research. China-Hewlett-Packard has now evolved a trinity operating structure of market sales, production mfg., and R&D, having developed a multidimensional, multilevel, and multichannel radiation network of commercial, production, and technical cooperation, which has produced fine economic efficiency and social benefits.

—It is aimed at acquiring Chinese markets, to achieve controlling investments. Multinational investment in China is aimed mainly at opening up and acquiring Chinese markets, which have the greatest potential in the world, as well as providing the corresponding dynamic production technology and scientific management expertise. For instance, Qinhuangdao China-Arab Chemical Fertilizer, Shanghai Volkswagen, Tianjin-Otis Elevator, Xian Johnson Pharmaceuticals, and Zhengda Feed all demanded that their products be sold on our domestic

market, using native raw materials, and taking advantage of China's advantages of complete industrial categories, many senior technicians, and low labor costs to set up huge production bases in China from which to acquire surrounding Asian or world markets. Some even moved certain multinational headquarters operations such as design, research, development, finance, and personnel to China, as well as setting up holding and investment or wholly-owned companies. In this respect, many multinationals have invested much capital to continue expanding their Chinese operations. For instance, Motorola has set up electronics labs in 20 Chinese universities, providing scholarships to over 600 professors and students in major universities, starting to set up a Motorola U in Beijing, providing multidimensional and high-level training to its employees, clients, joint-venture partners, and supply firms, and offering academic degrees to students oriented toward China and the Asia-Pacific region.

These basic features of multinational investment in China show that their current direct foreign investment actions differ sharply from the common understanding of capital investment in industrial projects, which has brought a new strategic change to direct foreign investment. Of course, while their new foreign investment strategy may vary somewhat by industry, function, and country or region, the typical foreign investment actions among international enterprises by multinationals are already showing a higher degree of functional integration among enterprises, including among multinational geographic regions. The diversity of their various economic networks in areas such as capital, information, technology, marketing, management, and service constitutes an integrated international production system transcending enterprises, regions, and nations. This means that multinationals can use their regional or global networks to bring out their functionally-integrated ownership, internal, and regional advantages, which brings more opportunities to the host countries in attracting foreign investment, spurring them to participate more widely in the international division of labor at a higher level, as well as enabling them to benefit from the internationally coordinated networks through participation in multinational strategic alliances. Which of course places higher demands on host countries in areas such as human resources, infrastructures, foreign trade, degree of openness, legal system, market makeup, social stability, and economic development.

**On Setting a Strategy To Attract Foreign Investment That Is Suited to China's National Conditions**

With the international economic competition growing ever sharper in the 1990s and on into the 21st century, multinationals are playing a crucial driving role in the production and capital internationalization change. It could be said that all high quality, high-tech, high level, and large scale international production, investment, marketing, and research development actions will be dominated or launched by multinationals. So to gain the initiative in international cooperation and competition, we will have to seize on the current world economic development trend, taking a conscientious initiative to get on track with the world economy, by joining the multinational-centered international production network, to share in the opportunities and benefits of world economic integration, and speed up China's economic development. To set a strategy for attracting foreign investment that is in line with China's national conditions, I hold that we will have to pay attention to the following areas:

We need to reach a consensus on freeing up our thinking and opening up wider to the outside world. In our immediate work, we need to be pragmatic and bold but cautious, seizing opportunities, overcoming all difficulties, and focusing our energies on attracting foreign investment in a more active, rational, and effective way, to drive our national economy to faster growth, and enable China to gain the initiative in the sharp international economic competition and test of strength. We need to strive to push China's productive forces, overall national might, and living standards to new heights in the coming century.

We need to appropriately adjust our policy to set a correct foreign investment strategy. We need to adjust our guiding ideology and basic principles as follows: 1. We need to open up wider to the outside world, raising our degree of openness and spurring development through openness and growth through development, to closely combine our attraction of foreign investment with the coordinated development of our national economy; 2. We need to establish better investment guidance forces, adjusting our industrial structure more forcefully, becoming more market-oriented, raising our foreign investment quality and level, and gradually applying national treatment to foreign investment, to get on track with the world economy faster, create fair competition terms, and organically link up with international investment practice; 3. We need to intensify our foreign investment policy guidance, protecting by law the legitimate rights and interests of all investment parties and enterprise employees, and tightening oversight con-

trol, to appropriately combine better legislation with the preservation of legal stability and policy continuity.

We need to revamp our investment form, opening up new investment channels, and establishing new mechanisms for soliciting business and attracting investment, to create new foreign investment advantages. We need to change our stance in attracting foreign investment to an emphasis on effectiveness, flexibility, and diversity. We need to conscientiously change our past tendencies such as being dependent on the preferential policy of tax reduction and profit concession to attract foreign investment, or a unilateral pursuit of foreign investment quantity, and sticking to certain old investment forms, boldly drawing on successful international expertise in attracting foreign investment, and broadening our horizons to adapt to the new changes in today's direct international investment, particularly that by multinationals. That will gradually convert China's attraction of foreign investment from its past emphasis on direct attraction of industrial capital to development of financial capital, introducing other investment forms such as leasing and BOT to the Chinese investment arena, to form a new order made up of diverse investment forms and financing channels.

We need to gradually pave the way for meeting the needs of foreign businessmen investing in China, by launching a standard campaign to solicit business and attract investment. Our business solicitation and investment attraction needs clear strategic aims, a better investment information network, and higher quality investment advisory service, to establish open liaison channels among all foreign and domestic agencies. We need to intensify our investment project coordination and cooperation, to achieve better real results in soliciting business and attracting investment. When taking part in business solicitation and investment attraction campaigns, we need to do a conscientious job of all meticulous publicity preparations. We need to pay attention to establishing a self-image, by choosing projects well. And we need to establish the principles of "trading resources for technology, property rights for capital, markets for projects, and quality for quantity," attracting multinational investment in China on a high plane, and broadening its investment and operating space, in a joint effort to more resourcefully and daringly create new advantages to attract foreign business.

\*PRC: Urban Consumption Focuses on Housing  
96CE0248A Beijing ZHONGGUO QINGGONG BAO  
in Chinese 5 Mar 96 p 6

[Article by Chai Mao (2693 5399): "The Urban Consumption Focus Is Shifting Toward Housing"]

[FBIS Translated Text] In recent years, the housing conditions of urban households have improved sharply, with the most recent data showing 63 percent of urban residents living in single-unit apartments, 56 percent of which are two-room apartments or larger, and 66.3 percent of households having per person floor space topping eight sq m. That includes 23.2 percent of households with telephones and 30.5 percent owning their own housing. But while the housing conditions of urban residents have clearly improved, a number of limitations mean that 3.2 percent of China's urban households have less than four sq m per person of floor space, leaving many with housing problems, so that the housing shortage remains a glaring problem facing our urban construction and living conditions.

As to China's consumption, the widening income gap means that there is also an obvious consumption gap. With our middle- and low-income households now advancing from having just enough food and clothing to being comfortably well off, their demand for commercial housing is now within sight but still beyond reach. And while our approximately 10 percent of high-income households already have the commodities typical of a comfortable lifestyle (such as color TV's, refrigerators, washing machines, telephones, air conditioners, acoustics equipment, and VCR's), commercial housing still remains an expensive commodity for them, with a single purchase requiring roughly a decade or two of savings. With a two-room apartment at 2,000 yuan a sq m costing around 80,000-120,000 yuan, this means that the ordinary wage-earning household has to save up for about two decades to buy one, taking an even longer period of income growth and capital accumulation.

As for the price of commercial housing, the current selling price per sq m for commercial housing in cities such as Beijing and Shanghai is 6,000-7,000 yuan, and in some cases as high as 8,000-9,000 yuan, so that the price of an ordinary 50 sq m apartment is 10 to 20 times the annual income of an ordinary household. So with such high prices certainly leaving even middle-and high-income households shrinking at their very mention, it could be said that the too low consumption level and too high housing prices are one of the major factors keeping housing consumption so low and making sharp advances in housing reform so difficult.

In the mid- and late-1990's, what commodity is dominating the consumer goods market? An analysis of all factors shows that commercial housing is undoubtedly the commodity of first choice. Most residents are now endorsing housing reform. A poll in Beijing Municipality finds that over 44 percent hold that the pace of housing reform is too slow, which are the social-psychological grounds for smooth housing reform. The housing-related consumption and the huge potential for taking money out of circulation are indisputable. As the data show that 1 yuan of housing consumption promotes 5 yuan of other consumption (in areas such as furniture, kitchen appliances, and fittings and decoration), we need to change as quickly as possible our system of free distribution of housing as a welfare benefit in kind, to pursue a more realistic consumption policy. As long as our guidance steps are right, our short-term consumption focus can be shifted to housing. It can be projected that within a few years, our traditional rural consumption orientation focused on building houses to pass on to the next generation will gradually shift to durable consumer goods such as household appliances and communications tools, while our urban consumption that has long been focused on household appliances is likely to see a shift of a considerable percentage of cash income to housing.

Urban residents are pleased that the State Council Housing Reform Office has now officially approved 58 cities as contented-living project cities, 54 of which cities have already put housing reform plans into formal effect. Projected from the project advances of these cities, the contented-living project housing completed by the end of 1996 will top 78 percent of construction plans. By which time, 12.5 million sq m of housing will be ready for use by low- and middle-income households.

The pertinent sector projects that in the next few years, as housing reform is launched in all areas, higher housing rents and improvements in individual housing purchases and living space will spur higher housing spending, with housing accounting for a larger percentage of consumer spending. It is estimated that by the year 2000, the ratio of housing spending by urban residents will rise from its current 6.8 percent to around 10 percent. Commercial housing investment, along with the contented-living project and housing reform, will become a growth point of China's commercial building construction. Credit consumption is widespread in developed nations such as Japan, the United States, Britain, and France. But while those countries are richer than China, less than 10 percent of their consumers are able to buy housing in single lump-sum payments, with most owning their own homes only through means such as installment payments and consumer loans.

And while a few Chinese cities also practice forms such as installment payment and consumer lending, factors such as the lack of publicity and problems in converting consumer mentality and making specific applications leave their results not so ideal, so that further improvement is needed to bring their impact into full play.

### Finance & Banking

**PRC: Interbank Lending Rates Become Negotiable**  
*OW3005014196 Beijing XINHUA in English*  
*0116 GMT 30 May 96*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — China's central bank, the People's Bank of China (PBC), will no longer impose ceilings on interest rates on interbank lendings.

It is seen as a move further indicating the financial authorities' determination to gradually liberalize the interest rate system.

According to PBC sources, the interest rates on the interbank-lending market will be allowed to float, or become negotiable between lenders and borrowers, starting from June 1.

"Liberalising interest rates will help promote the development of the capital market which is crucial to a market economy," said a central bank official, insisting that the timing for the move is well chosen.

China set into operation a national computer-linked inter-bank lending market in Shanghai at the start of the year. So far the transactions have been smooth and "the interest rates have not exceeded on a single session the limits set by the central bank," noted the PBC official.

According to him, under a stringent monetary policy adopted by the central bank since last year, commercial banks now report an adequate capital pool.

"There is little chance that the interest rates on inter-bank loans will go out of control after the cancellation of the rate limits," he said, pointing out that the macro economy and the capital investment are well on a rational track.

He said that the central bank will keep alert and make sure that the lendings obtained from the inter-bank markets are not used to buy securities or flow to capital investment or real estate.

**PRC: Urban Cooperation Banks To Open in 35 Major Cities**

*OW3005095696 Beijing ZHONGGUO XINWEN SHE*  
*in English 0931 GMT 30 May 96*

[FBIS Transcribed Text] May 30 (CNS) — Preparations for the establishment of urban cooperation banks are being made in 35 medium- and large-sized cities across the country. A better management mechanism for modern commercial banks is taking shape.

Since early last year preparations have been made for urban cooperation banks based on the renovation of existing urban credit cooperatives. Urban cooperation banks in Beijing, Shanghai, Shenzhen and Nanjing went into operation while approval was given for the construction of an urban cooperation bank in Shijiazhuang.

Tianjin, Jinan, Zhengzhou, Chongqing and Hangzhou finished asset verification and equity assessment for their credit cooperatives while the verification work is underway in Guangzhou, Shenyang, Wuhan, Kunming, Xian, Urumqi, Ningbo, Nanning and Nanchang.

In the process of the establishment of urban cooperation banks, an overhaul was conducted on urban credit cooperatives to check up their capital reserves, assets, business scope, management and profit distribution. It was aimed at ensuring healthy development of new urban cooperation banks.

As of late last March, the four urban cooperation banks on service enjoyed steady development. Their gross assets reached RMB 68.98 billion. The balance of deposits was RMB 52.88 billion and loans given were RMB 23.08 billion. Both deposits taken and loans released rose to various extent over the beginning of this year. The asset-liability ratio maintained at an acceptable level and profit was made.

**PRC: Financial Institutions Target Three Gorges Project**

*OW2905110796 Beijing XINHUA in English*  
*1041 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — The Three Gorges project, the largest water-control undertaking in the world, has become a favorite destination for both Chinese and foreign financial institutions.

Over the past few years seven banks, one insurance company and seven securities firms have launched operations in Yichang, the city in central China's Hubei Province where the project is headquartered.

Started in 1995, the Three Gorges Project is expected to consume 110 billion yuan to 180 billion yuan in investment before completion.

Foreign institutions have also shown interest in the project.

Senior officials with Merrill Lynch, Morgan Stanley and the Sumitomo Bank, have visited the site, where they intend to set up representative offices and conduct other forms of co-operation.

Financial institutions from France, Italy, Japan, Hong Kong, and other countries and regions have established branches in Wuhan, capital of Hubei, in preparations to catch investment opportunities in the Three Gorges.

### Foreign Trade & Investment

#### PRC: Rise in Foreign Investment Reported in Jan-Apr Period

*OW2805162696 Beijing ZHONGGUO XINWEN SHE in English 1515 GMT 28 May 96*

[FBIS Transcribed Text] May 28 (CNS) — Foreign funded enterprises approved to operate in China reached 10,756 in the first four months of this year. The contracted investment was US\$ 35.3 billion, 84 per cent up over the same period last year. Actual introduction of foreign capital was US\$ 11 billion or a rise of 21 per cent.

The Vice Director of the Foreign Investment Administrative Department of the Ministry of Foreign Trade and Economic Cooperation, Wang Liaoping, said today that a rapid growth in foreign investment in China was attributed to China's accelerating change to a market economy, further improvement of investment environment, a potential market and cheap labour. As a change in policy on foreign funded business took place in April, a lot of foreign investors rushed to get their investment agreements signed well before April 1. However, Mr. Wang said the inflow of foreign capital to China kept on growing even after April 1.

Generally speaking, foreign funded enterprises registered sound business performance. Foreign trade by foreign funded enterprises reached US\$ 36.77 billion in the first four months of the year. The export value was US\$ 16.33 billion or a gain of 40.7 per cent and the imports was US\$ 20.44 billion or an increase of 24.6 per cent. Taking the import value of equipment into consideration, a trade surplus registered a gain over the same period last year.

Mr. Wang said relevant departments were considering the possibility of granting central and western parts same authority as enjoyed by eastern areas to appraise and approve foreign-funded project worth US\$ 30 million from previous US\$ 10 million. Investment projects subject to restriction in eastern areas in accordance with

the state industrial policy could be introduced in central and western areas.

Speaking of the adjustment of preferential policies, Mr. Wang noted that the implementation of the equal treatment for domestic and foreign funded enterprises could not be simply regarded as the cancellation of preferential treatment enjoyed by foreign investors. He stressed that the China's taxation policy was aimed at enabling both domestic and overseas enterprises on an equal footing and developing the socialist market economy system.

#### PRC: Total Value of Foreign Trade in Jan-Mar

*HK2905091196 Beijing CEI Database in English 22 May 96*

[PTS Transcribed Text for FBIS] Beijing (CEIS) — Following is a list showing the total value of China's foreign trade in January- March 1996, released by the General Administration of Customs:

		(Unit: 100 Million U.S. Dollars)
	1-3/1996	1-3/1995
Total	576.53	548.24
Export	282.49	309.54
Import	294.04	238.70

#### PRC: Wu Bangguo Meets With Hyundai Chairman

*OW2905114496 Beijing XINHUA in English 1051 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Chinese Vice-Premier Wu Bangguo met with Chung Mong-koo, chairman of Hyundai Group of the Republic of Korea (ROK), and his party here today.

Wu briefed the visitors on China's economic situation. He also expressed the hope that Hyundai further strengthen the economic and trade cooperation with China.

The purpose of Chung's China trip is to gain more knowledge about China's investment policies and to study the possibilities for further expanding the cooperation between Hyundai and China.

#### PRC: Wu Bangguo Meets Japanese Businessmen

*OW2905113696 Beijing XINHUA in English 1051 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Chinese Vice-Premier Wu Bangguo met with Tadashi

Itoh, senior advisor and former chairman of Sumitomo Corporation of Japan, and his party here this afternoon.

The Japanese visitors are here to attend a seminar on enterprise management jointly sponsored by China's State Commission for Restructuring the Economy and Sumitomo Corporation.

Wu extended congratulations on the success of the seminar. He said Sumitomo's experiences in management can help China's enterprises to improve their management level.

The vice-premier also briefed the visitors on China's reforms of state-owned enterprises.

**PRC: Beijing Marks 5th Anniversary of Copyright Law**

*OW3005082296 Beijing XINHUA in English  
0812 GMT 30 May 96*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Chinese officials today again hailed their achievements in protecting copyrights.

In a written speech to mark the fifth anniversary of the implementation of China's first copyright law, Ren Jianxin, a member of the secretariat of the Chinese Communist Party Central Committee, said that "nobody can deny our great achievements in protecting copyrights over the past five years."

According to Ren and other officials attending a gathering at the Great Hall of the People, the achievements China has made since it implemented the copyright law on June 1, 1991, can be demonstrated as follows:

— The country has made public a number of laws and regulations, and attended several major international copyright conventions. Additionally, China's copyright laws have reached the same high standards as those in advanced countries.

— Courts have opened special copyright tribunals and a total of 1,243 copyright cases have been handled through the legal system over the past five years.

— The government has created administrative departments to oversee copyright issues. In the past two years, it has increased crackdowns on illegal operations by closing a number of factories, companies, production lines and publishing houses, and by confiscating and crushing many pirated goods.

— Copyright classes have been opened throughout the country, and even the mass media has been mobilized to spread the basics of copyright information. Many societies and associations have created their own copyright protection agencies.

— International trade has been launched between Chinese and foreign publishing houses, who now grant copyright authorizations to each other.

Yu Youxian, director of the State Copyright Administration, told those attending the meeting that copyright protection has aided China's reform and opening up efforts and proved beneficial to the socialist market economy.

"The achievements fully demonstrate the attitude and resolution of the government and the Chinese people to better protect copyrights, and it is proof that the government has the capability to do the work well," he said.

The official admitted that copyright infringements occasionally occur, as the copyright system is still in its infancy, public awareness is limited, and shortcomings remain in the country's copyright law.

China will further strengthen the protection of copyrights, he said.

**PRC: China To Continue Use of World Bank Aid for Education**

*OW2805164796 Beijing XINHUA in English  
1457 GMT 28 May 96*

[FBIS Transcribed Text] Zhengzhou, May 28 (XINHUA) — China will continue to use World Bank loans to support nine-year compulsory education in poverty-stricken areas in the coming five years.

This will be the third-phase of loans for the effort since 1981, according to an inauguration meeting jointly held by the State Planning Commission, the Ministry of Finance, the State Education Commission, and the World Bank, which ended today in Zhengzhou.

A total of 124 economically-backward counties in the seven provinces of Gansu, Qinghai, Hebei, Anhui, Henan, Jilin, and Fujian will benefit from the loans, the source said.

The first and second phase World Bank loans, totalling 200 million US dollars, mainly assisted the development of elementary education in 225 counties of 12 provinces and autonomous regions, including southwest China's Yunnan, Guizhou, Sichuan provinces, and Guangxi Zhuang Autonomous Region.

**PRC: Foreign Firms To Hire Through State-Approved Agencies**

**HK2805091396** Beijing CHINA DAILY in English  
28 May 96 p 3

[By Xu Yang: "Foreign-Firm Hiring Tightened"]

[PTS Transcribed Text for FBIS] Chinese workers in Beijing enterprises funded with overseas investment must be recruited only through government-approved employment agencies.

Heavy fines will be levied against employers or employees who violate new municipal regulations passed on May 14 to take effect on June 15.

The regulations are intended to end the chaotic human-resources market in the capital, which now hosts more than 5,000 foreign-funded enterprises.

Chinese people who want to work in such companies—even if the work is called training, exchange, or business co-operation—should first be Beijing residents and must hold employee cards or representative cards issued by the Beijing Industry and Commerce Bureau.

Employment agencies that match foreign-invested employers and Chinese workers must sign labour contracts that comply with the Labour Law, and the agencies must also pay the social-insurance benefits for the employees.

Enterprises that violate the regulations will be subject to fines of 10,000 yuan (\$1,204) to 50,000 yuan (\$6,025). For individual offenders, the fine may amount to 5,000 yuan (\$602.41).

Employment agencies will also be fined if they do not provide employee cards or representative cards to employees, or if they fail to get approval from the local labour bureau and personnel bureau for each job fair or talent market they arrange. For severe violations, their operating certificates will be at risk.

Sources from the Foreign Enterprises Service Co (Fesco), Beijing's first employment agency catering to foreign enterprises, told China Daily that a circular from the municipal government requires that foreign-funded enterprises and potential workers in them must be matched through Fesco. However, they noted that the circular contains no punishments making it difficult to enforce. And more and more public and private organizations have entered the profitable field of personnel.

The new regulations apply to businesses with investment by a foreign country or by Hong Kong, Macao, or Taiwan. The municipal government has delegated to the Municipal Foreign Affairs Office the task of explaining the regulations.

**PRC: Bonded Zones Said Best Channels for Entering Market**

**OW2805090096** Beijing XINHUA in English  
0816 GMT 28 May 96

[FBIS Transcribed Text] Tianjin, May 28 (XINHUA)—Bonded zones have proved to be the most convenient channels of access for foreign firms to China since it adjusted its foreign trade regulations and tariff rates on April 1.

"Preferential policies in the bonded zones have remained as before," said Wang Haiping, a senior official with the Bonded Zone in north China's Tianjin Port.

"Moreover, the adjustment has given prominence to the bonded zones' advantages, especially in the fields of the service trades and export and import handling."

Foreign entrepreneurs are attracted by the bonded zones, where they can set up financial arms, and their trade affiliates can offer various trade services.

Their production costs will be low there, as imported building materials, equipment, fuels, office facilities, as well as most products processed there will continue to be exempted from tariffs.

For enterprises in export-oriented processing, income tax is waived for the first three years after their inauguration, over the next two years the income tax is reduced, and, starting in the sixth year, they need to pay only a 15-percent income tax.

Another advantage of locating in the zones is that enterprises can open hard currency accounts to directly calculate business in foreign exchange. Outside the bonded zones, official approval is a must before they can use foreign exchange in foreign trade transactions.

Since the early 1990s China has established 13 bonded zones, all in coastal cities — from Dalian, a port city in northeast China, to Haikou, capital of south China's Hainan Province.

Special policies meted out by the central government have given the bonded zones a high degree of freedom in the flow of commodities, personnel, currencies and trade in a bid to attract as much foreign investment as possible.

"More enterprises, especially those in trade, services and export-oriented processing, are expected to turn to invest in China when they become more familiar with the bonded zones," said Yoshihiro Okoshi, general manager of SR-Utoc International Transportation Logistics (Tianjin) Inc. of Japan.

Hao Yongkuan, general manager of the Viction Industrial & Trade Co. Ltd, said, "All the bonded zones are

located in regions with convenient transportation and prosperous economies."

"Excellent locations, along with outstanding services, have made those regions ideal channels through which to conduct foreign trade in China," he said. "This deserves more attention from foreign firms who are interested in China's huge market."

Victor, processing export products, has developed into one of the top 500 overseas-funded firms in China since it launched its foreign trade business five years ago in the Tianjin bonded zone.

Early this month Victor moved its headquarters to the zone.

The bonded zone in Qingdao, a port city in east China's Shandong Province, mustered 56 million US dollars in foreign investment in the first quarter of this year. In Tianjin the bonded zone received 120 million US dollars in foreign investment over the first four months of this year, up 73 percent from the same period of 1995.

More impressive than these figures is that such big names as JVC, Pioneer, Mitsubishi and Sumitomo from Japan, Caltex and Honeywell and Hewlett-Packard from the United States, and Mercedes-Benz from Germany have jumped on the bandwagon of investing in the bonded zones.

These zones are expected to play a more important role in integrating China's economy into that of the rest of the world as China opens up further in trade, commerce and finance, local experts pointed out.

#### PRC: Official Says 57 Foreign Law Firms Operating

OW2205155896 Beijing XINHUA in English  
1244 GMT 22 May 96

[FBIS Transcribed Text] Beijing, May 22 (XINHUA) — Fifty-seven foreign law firms have opened offices in China, according to Zhang Geng, deputy minister of justice.

Zhang made this announcement this morning at a press conference on the Lawyers Law of the People's Republic of China, which was passed last week by the Standing Committee of the National People's Congress, China's legislature, and is to come into effect on January 1 next year.

"As a major step in the reform of the country's legal services system, the Ministry of Justice has given approval to a total of 57 foreign law firms to open offices in China since late 1992," Zhang said.

These offices are located in Beijing, Shanghai, Guangzhou, Shenzhen, Haikou and Suzhou City in east China's Jiangsu Province, he noted.

"Beijing and Shanghai top these cities with 26 and 16 offices, respectively," he added.

He called it "a fairly successful experiment" to permit the opening of these offices, which, he said, can not only help China to get more foreign investment, but also provide much good experience for domestic law firms in the spheres of management and operation.

Sources at the Ministry of Justice said that the 57 law firms are mainly from Canada, Australia, Japan, Singapore, Britain, Germany, the US and France. Some of them are leaders in their own countries, such as Baker & McKenzie and Coudert Brothers of the US, and Gide Loyrette Mouel of France.

The major business of these offices is providing legal assistance to investors and traders from their own countries. They are not allowed to handle China's domestic legal affairs, but can offer their services to the Chinese side in overseas legal disputes.

According to an official at the Lawyers' Affairs Division of Beijing's Bureau of Justice, by the end of 1995 offices of foreign law firms in the capital had paid a total of 18 million yuan (some 2.16 million US dollars) in taxes.

In 1994, he said, the Coudert Brothers' Beijing office helped the country to gain more than two billion US dollars in foreign investment, while Gide Loyrette Mouel helped a Chinese company to win a lawsuit against the European Union's anti-dumping sanctions.

Zhang Geng said that, according to relevant articles in the new Lawyers Law, his ministry is to formulate as soon as possible concrete regulations on the management of the China offices of foreign law firms.

"If approved and issued by the State Council, the regulations will strengthen the management of China's legal services market, which is busy opening to the outside world," he pointed out.

At today's press conference Zhang also revealed that seven Chinese law firms have already set up overseas branches in countries including Russia, Singapore and the US.

"This is a move worth encouraging," he said, "as it can help Chinese lawyers to improve their expertise and make themselves better known to the rest of the world."

**PRC: New Regulations on Exporting Medicines Issued**

*OW2505144296 Beijing XINHUA in English  
1416 GMT 25 May 96*

[FBIS Transcribed Text] Beijing, May 25 (XINHUA) — Chinese traditional medicine manufacturers are required to obtain quality licenses if they want to export their products.

This is part of China's efforts to improve the quality of Chinese traditional medicines and protect their overseas markets, which have been shrinking in recent years, a Chinese traditional medicine trader said.

"All Chinese medicines and their manufacturers must pass quality checks by a quality inspection agency designated by the State Administration of Traditional Chinese Medicine," according to a new set of regulations issued jointly by the State Administration of Traditional Chinese Medicine, the Ministry of Foreign Trade and Economic Co-operation, the Trademarks Bureau of the State Administration for Industry and Commerce and China's General Administration of Customs.

"Medicines and manufacturers who pass the quality inspection will be issued quality registration certificates," the regulation says.

"Foreign trade companies are only allowed to export the Chinese traditional medical products manufactured by the enterprises which have been awarded quality registration certificates," the regulation continues.

The State Administration of Traditional Chinese Medicine will implement strict quality control over Chinese medicine manufacturers. "Those who are found to have quality problems will be stripped of their quality certificates," the regulation says.

"The State Administration of Traditional Chinese Medicine will demand that enterprises which have caused economic losses due to poor quality pay recompense," according to the regulation.

**PRC: Denmark Business Leader Confident in Continuing Investment**

*OW2805131096 Beijing XINHUA in English  
1249 GMT 28 May 96*

[FBIS Transcribed Text] Tianjin, May 28 (XINHUA) — A senior executive of the Danfoss Group, a Denmark-based transnational corporation engaged in high-tech product manufacturing, said he is confident about investment in China.

Ole Steel Andersen, vice-president of the corporation, said this after inspecting the Wuqing Development Zone

in this major industrial base in north China. Danfoss has set up a branch factory there.

"China will see rapid development in the next five to ten years, and we will develop together with it by setting up factories in the country," said Andersen, adding that his company will build a comprehensive system in China covering technical development, manufacturing and after-sale service in the coming few years.

The Danfoss Group began its co-operation with China by setting up offices in Beijing and Shanghai at the beginning of the 1980s.

Then in 1995 it spent 22.5 million US dollars building a solely foreign-funded enterprise in Tianjin to manufacture thermostats and turbine compressors. Andersen noted that the factory is the largest in Asia so far set up by the company.

Founded in the 1940s, the company now has branches and agents in more than 100 countries and regions worldwide. Its annual sales volume is some two billion US dollars.

**PRC: Sino-British Funded Car Component Company Set Up**

*OW2305124596 Beijing ZHONGGUO XINWEN SHE in English 0931 GMT 23 May 96*

[FBIS Transcribed Text] May 23 (CNS) — Nanchang Peiying Company Limited, jointly funded by Nanchang Engine Case Pad Plant of China and T & N Company Limited of Britain, a world famous automobile spare parts manufacturer, has recently been set up in Nanchang, Jiangsu province in East China.

The total investment of the new company is RMB [renminbi] 43.43 million with registered capital being RMB 32 million.

The British party takes up 70 per cent of the stock in the form of fund and equipment while the Chinese partner has the rest in the form of land, equipment and fund.

The new company, located in the Changbei Industry Zone, is expected to complete construction by the end of 1996. In the first quarter of 1997, the company will produce non-asbestos and metal engine case pads on a trial basis. The venture's full production capacity is designed to be 3.1 million pieces annually, and the annual sales may reach RMB 140 million.

**PRC: Singapore Delegation To Invest in Hubei**

*OW2805164396 Beijing XINHUA in English  
1548 GMT 28 May 96*

[FBIS Transcribed Text] Wuhan, May 28 (XINHUA) — Singaporean business people want to step up partic-

ipation in the economic development of central China's Hubei Province, particularly in trade and service sector, urban development and infrastructural construction as well as manufacturing sector.

This was revealed by a Singaporean government delegation which arrived here two days ago. The delegation is headed by Mah Bow Tan, Minister of Communications.

The delegation is the third team of Singaporean business people to visit Hubei this year.

Jia Zhijie, secretary of the provincial committee of the Communist Party of China, told the delegation today that as China is opening up its central and western parts wider to the outside world, there will be a new wave of developments along the Yangtze River, adding that Hubei, the center of the Chang Jiang River economic belt, has vast potential for international economic cooperation.

#### PRC: Guangdong Province To Attract More Overseas Investment

OW2005030796 Beijing XINHUA in English  
0137 GMT 20 May 96

[FBIS Transcribed Text] Guangzhou, May 20 (XINHUA) — South China's Guangdong Province, an economic powerhouse, has vowed to attract more than 48.5 billion US dollars in overseas investments in the coming five years.

More overseas investment is vital to the launching of a number of large infrastructure projects in water conservancy, energy, transportation and telecommunications, said local foreign trade and economic cooperation officials.

Guangdong, geographically close to Hong Kong and Macao, utilized overseas investment totalling 40.6 billion US dollars between 1991 and 1995. Overseas investment has been a driving force in the development of its export-oriented economy.

In the 1996-2000 period, the province will issue favorable policies to guide overseas investment mainly into infrastructure, basic industries, comprehensive agricultural development, hi-tech industries and pillar industries.

Finance, insurance, commerce, tourism and property will continue to absorb overseas investment to a moderate degree, officials said.

Judging from current trends, Hong Kong, Macao and Taiwan business people and overseas Chinese will continue to be the major investors in Guangdong, officials said.

The province will strive to attract foreign investment from European countries, the United States and Japan, and expand cooperation between provincial firms and multinationals worldwide, officials said.

It will explore diversified means, like BOT (build, operate, transfer) schemes, to attract overseas investment.

The booming Zhujiang River Delta and special economic zones are being urged to attract more overseas investments by using their existing advantages.

Officials expect use of overseas investment to be expanded to the east and the west of the delta and the mountainous areas.

In addition, the province will work out preferential policies to encourage large enterprises or groups to invest abroad.

#### PRC: Overseas Companies Invest in Guangdong Highway Project

OW2905165096 Beijing XINHUA in English  
1604 GMT 29 May 96

[FBIS Transcribed Text] Hong Kong, May 29 (XINHUA) — China Merchants China Direct Investments Ltd. (CMCDI) announced here today that it will invest five million US dollars in the expansion and operation of the Loumei Section of National Highway No.324 in Louding City, Guangdong Province.

According to a joint venture contract, CMCDI and the Union Bank of Hong Kong Ltd. will each invest five million US dollars for a total of 33.4 percent interest, shared equally.

The joint venture period is 25 years, and CMCDI expects to obtain an internal rate of return of over 17 percent from the project.

The Loumei section of the national highway links up Guangdong and Guangxi. Expansion works, aimed to upgrade the section from a normal Grade C roadway to a standard Grade A roadway, began in March 1995 and will be completed by the end of this year.

Sources from CMCDI said that it intends to increase its investments in the infrastructure area on the mainland.

#### PRC: Pharmaceuticals Joint Venture Begins in Jiangsu

OW2905101896 Beijing XINHUA in English  
0959 GMT 29 May 96

[FBIS Transcribed Text] Suzhou, May 29 (XINHUA) — Pharmacia & Upjohn Inc., the world's ninth-largest pharmaceuticals producer, and a pharmaceutical plant in Suzhou, in east China's Jiangsu Province, have started

a joint venture with a total investment of 35 million US dollars.

The new joint venture was completed earlier this month. Named the Upjohn Suzhou Pharmacy Co. Ltd, it mainly engages in the production of antibiotics and related products. The Chinese partner, the Suzhou No. 4 Pharmaceuticals Plant, is one of the leading producers of raw materials for pharmaceuticals production.

According to Dr. John L. Zabriskie, president of *Pharmacia & Upjohn Inc.*, the London-based company is a transnational with over 20 enterprises in Europe and the US. It has three other joint ventures now under construction in China, two in Wuxi, also in Jiangsu, and one in Suzhou.

#### **PRC: Ningbo Bonded Zone Customs Becomes Operational**

*OW2905105096 Beijing XINHUA in English  
1035 GMT 29 May 96*

[FBIS Transcribed Text] Ningbo, May 29 (XINHUA) — The Ningbo Bonded Zone Customs Office went into operation Tuesday with the approval of the General Administration of Customs of the People's Republic of China.

The new customs office, attached to the Ningbo Customs, will mainly deal with customs procedures for enterprises inside the bonded zone.

The 2.3-sq-km Ningbo Bonded Zone, in this coastal city in east China's Zhejiang Province, was established in November 1992 with the approval of the State Council.

The Ningbo Customs opened an office in the bonded zone in 1993 to deal with exports and imports procedures for enterprises inside the zone.

The office has so far handled exports and imports totalling 900 million US dollars-worth of commodities, 400 million US dollars-worth of bonded goods and 200 million US dollars-worth of materials for the processing industry.

A total of 60,000 US dollars-worth of transit goods, 1.1 billion in reduced and exempted tariffs, and the customs registration of 1,440 enterprises were also dealt with by the office.

#### **PRC: Hebei, Foreign Businesses To Develop Chain Store Project**

*OW2305140996 Beijing XINHUA in English  
0823 GMT 23 May 96*

[FBIS Transcribed Text] Shijiazhuang, May 23 (XINHUA) — Hebei Province in north China will have the chance to develop more than 20 co-operative projects

involving chain stores with Singapore, Malaysia, the United States and Japan.

This announcement came from businessmen from these countries at a recent trade fair here.

The province, which is adjacent to the two municipalities of Beijing and Tianjin, is ideal for this, and the effort can benefit both sides, a Singaporean businessman told XINHUA.

The chain store business has developed rapidly in Hebei in recent years. By the end of last year, a total of 333 chain stores had been set up for the province's grain sector, and 24 in the commercial sector.

Authorities say that nearly 300 businesses in Hebei are interested in the projects.

#### **PRC: Dalian Bonded Zone Regarded as 'Mini Tax Haven'**

*OW2005115896 Beijing XINHUA in English  
0710 GMT 20 May 96*

[FBIS Transcribed Text] Shenyang, May 20 (XINHUA) — Dalian's Bonded Zone, still under construction, promises to be a mini tax haven for investors.

The zone will be offering a series of preferential policies, including exemption of tariffs for commodities entering and leaving China via the zone.

Goods will also be free from import valued-added tax, consumer tax, and import and export licenses, according to Jiang Lihua, the Director of the zone.

The bonded zone is located in the Dalian Economic Development Zone, and so far the construction of 1.6 square kilometers of a projected eight square kilometer area has been completed.

More than 1,000 projects have already been attracted to the bonded zone, including about 500 schemes funded by Japan, the United States, the Republic of Korea, Singapore, Hong Kong and Taiwan.

Preferential policies are to be offered to manufacturing enterprises established in the zone, including exemption from imported raw and semi-finished materials, and parts from tariffs and the value-added tax. If goods using imported materials are sold in China, then tariffs and taxes will be levied only on imported materials.

Trade companies in the zone will be allowed to establish commodity trading markets in the zone, and with authority, will be allowed to display bonded products outside the zone.

Companies building storage facilities in the zone will also, with permission, be authorised to store goods produced outside the zone, and can serve as agent for transportation companies and for commodity distribution.

**PRC: Shanghai Said Attractive to Foreign Investors**  
*OW2205033496 Beijing ZHONGGUO XINWEN SHE in English 0107 GMT 22 May 96*

[FBIS Transcribed Text] May 21 (CNS) — Overseas investors are still interested in Shanghai.

According to statistics, the first quarter of this year produced 619 newly foreign-funded enterprises in the municipality.

Foreign-funded enterprises with an investment of US\$10 million to 30 million increased by 93, an increase of 10.8 per cent compared with the end of last year.

Investment by major international companies, in the mechanical and electrical, chemicals, telecommunications, metallurgy and automobile industries, amounted to nearly half.

In the first two months, actual foreign investment in the industrial sector reached US\$ 290 million, an increase of 38 per cent compared with the same period last year.

There are 3,161 sole-foreign-funded enterprises in Shanghai and foreign-funded ventures in the tertiary industry are developing at a faster pace. There are 4,538 foreign-funded firms and joint ventures engaged in the tertiary industry, with a total investment of US\$43.331 billion or 55 per cent of total foreign investment injected into Shanghai.

Foreign funded projects in Shanghai has operated positively with sales in January and February amounting to RMB 28.447 billion, an increase of over 60 per cent over the same period of last year.

**PRC: Shanghai Eyes Foreign Investment for Urban Infrastructure**

*OW2905045396 Beijing XINHUA in English 0247 GMT 29 May 96*

[FBIS Transcribed Text] Shanghai, May 29 (XINHUA) — This east China metropolis will use foreign investment to improve its urban infrastructure, adjust its industry, and develop modern agriculture and service trades in the coming five years.

Urban infrastructure projects include the first construction phase of the outer ring road, the Dalian Road Cross-River Project, and the Jiangqiao Refuse Incineration Plant.

Shanghai will also enlist a number of industrial group corporations to undertake transnational operations with foreign corporations and enterprises in the form of joint ventures and co-operation.

It will use foreign capital to develop integrated circuits, computers, modern bio-technology and medicine, and new materials.

In addition, it intends to build a Sino-foreign joint venture enterprise specializing in trade.

**PRC: New Measures for Foreign Investment in Zhejiang**

*OW2805001396 Beijing ZHONGGUO XINWEN SHE in English 2320 GMT 27 May 96*

[FBIS Transcribed Text] May 27 (CNS) — Zhejiang Province will witness some changes in making use of foreign capital, said governor Wan Xueyuan.

The present preferential policy will give way to the improvement of investment conditions while at the same time much more attention will be paid to the upgrading of scale and quality of projects rather than to the number of projects undertaken.

Mr. Wan made known the new measures at the latest issue of a journal.

Taking into consideration the province's economic situation, Mr. Wan noted that foreign capital would be funnelled into comprehensive development of agriculture, infrastructure facilities, primary industry and new high tech industry. Foreign investment is particularly welcomed to be made in machine building, chemical, electronics and medicine industries.

Coastal areas of the province will mainly undertake capital- and technology-intensive projects while Hangzhou and Ningbo, two largest cities in Zhejiang, will accelerate the establishment of Sino-foreign banks and foreign wholly funded banks. Hangzhou, Ningbo and Wenzhou will make use of foreign capital for the development of retail business and chain sales service. Central and western parts of the province will concentrate themselves on infrastructure construction and make a full use of their resources and manpower. A number of foreign funded industrial projects as well as those for the comprehensive exploitation of agriculture will be carried out.

Zhejiang will have to employ a variety of practices to enhance the application of foreign capital. The public and collective sectors of the province's economy have to be integrated for better development. Some assets owned by particular enterprises will be transferred to foreign investors. Foreign businessmen will be given a

franchise of business for a certain term with payment. Capital can then be raised for new projects. Foreign capital will also be collected indirectly for some projects.

Mr. Wan noted that in order to improve investment conditions, Zhejiang would soon strengthen the leadership of some bodies responsible for the introduction of foreign investment. Appraisal and approval procedures for projects will be standardized and simplified. Better management and service for foreign funded projects will be boosted.

#### **PRC: Over 50 Multinationals Invest in Zhejiang**

*OW2805001496 Beijing ZHONGGUO XINWEN SHE in English 2320 GMT 27 May 96*

[FBIS Transcribed Text] May 27 (CNS) — Latest statistics revealed that an increasing number of multinational companies tended to invest in Zhejiang Province.

54 foreign companies and consortia from ten countries including Japan, the United States, Germany and Britain have invested in 67 enterprises in Zhejiang to date. These enterprises are involved in sectors of chemical industry, machinery, food, textiles, electronics, telecommunications and medicine with a gross investment of over US\$ 1.1 billion.

Statistics released by the Zhejiang Economic and Trade Commission indicated that 13 out of the world's 100 leading companies had invested in the province. The involvement of multinational companies in Zhejiang helped bring the utilization of foreign capital to a new level. Foreign funded projects in the Province each used foreign capital of RMB [renminbi] 3.507 million on average between last January and April, 144 per cent up over the same period last year. There were close to 120 projects each boasting an input of over US\$ 10 million.

During the first four months this year, 689 foreign funded enterprises were approved to run in Zhejiang. The pledged foreign investment was US\$ 2.46 billion or a rise of 239 per cent over the same period last year, hitting an historical record. Actual introduction of foreign capital reached US\$ 480 million, 46.6 per cent up over last year.

#### **Agriculture**

##### **PRC: Beijing Looks Abroad for Agriculture Help**

*OW3005083996 Beijing XINHUA in English 0820 GMT 30 May 96*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Beijing intends to forge closer ties with foreign countries in order to improve its agricultural technology, a city official said today.

In the coming five years the Chinese capital is to import advanced items agricultural science and technology from Europe, the US, Japan, Israel and South Korea.

Hi-tech agriculture such as pollution-free vegetables and improved varieties of pigs will be imported as an important step to "fill the local people's baskets with quality agricultural products", the official said.

Awaiting the foreign investors, 70 agricultural projects have been selected by the suburban counties of the city, involving grain, vegetables, fruits, husbandry and food processing.

These counties are experienced in farming and have good farming conditions and abundant resources, the official said.

Beijing wants to increase the contribution of science and technology and also to raise the output of green food from the present 10 percent to 30 percent over the next five years, the official added.

The number of foreign-funded agricultural projects has reached 326 this year, with an investment of 860 million US dollars, according to a survey by the local authorities.

#### **PRC: Plan Set To Give Scientific Training to 200 Million Farmers**

*OW2905120396 Beijing XINHUA in English 1111 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — The China Association for Science and Technology today announced its plan to train 200 million rural residents in science and technology in the next five years.

"We will co-operate with all relevant departments, such as agricultural and educational departments, the Youth League and the Women's Federation, to achieve this goal within the Ninth Five-Year Plan (1996-2000) period," an official with the association said.

In the past five years, he noted, over 200 million farmers have received training in science and technology from science associations and departments for the promotion of agricultural sciences across the country.

Zhu Guangya, chairman of the China Association for Science and Technology, said that, with the assistance of various science groups and scientists' associations, a network for the spreading of science and technology widely in the rural areas has come into existence, which is based on science associations and federations at county or township level.

In the past five years science associations at all levels have taught one or two items of practical technology to some 3.15 million rural households, among which 1.92 million have shaken off poverty, he noted.

He went on to say that to enhance the capabilities of officials at grassroots levels, his association has worked with government organizations throughout the country in training officials in practical technology.

Meanwhile, the China Farmers' Correspondence University for Agricultural Science and Technology is now playing a significant role in the teaching of practical technology in rural areas, with 27 branches at provincial level and more than 1,000 at city and county levels, he pointed out.

China has a rural population of some 800 million.

**PRC: Expert To Organize National Corn Research Center**

OW3005075196 Beijing XINHUA in English  
0720 GMT 30 May 96

[FBIS Transcribed Text] Jinan, May 30 (XINHUA) — China's State Science and Technology Commission has decided to entrust Li Denghai, a farmer-turned seed expert in Shandong Province, to establish a corn research center.

The National Corn Engineering Technique Research Center will be responsible for importing fine strains of corn seeds, breeding fine strains of corn seeds, and spreading the use of advanced corn cultivation and processing techniques throughout the country.

An official of the Shandong Provincial Science and Technology Commission said that Li at present serves as director of a non-state research institute, the Laizhou City Academy of Agricultural Sciences.

Since 1987 Li, a founder of the academy, has bred a number of high-yield corn seed strains, including No. 1 Yidan and No. 13 Yidan, the official said.

The strains have set a world record of corn production of 16,500 kg per ha, he said.

Corn strains bred by Li Denghai are now sown on 45 percent of the corn fields across the country, he added.

**PRC: Xinjiang Develops Water-Efficient Agriculture**

OW3005031396 Beijing XINHUA in English  
0212 GMT 30 May 96

[FBIS Transcribed Text] Urumqi, May 30 (XINHUA) — Importing advanced irrigation technology from over-

seas has helped arid Xinjiang Uygur Autonomous Region in northwest China to save two billion cubic meters of water a year.

As the annual evaporation outgrows rainfall levels Xinjiang began to adopt advanced drip, sprinkling and undercurrent irrigation techniques, imported from Israel, Netherlands and other countries a decade ago.

So far 20,000 hectares of farmland in water-starved Tacheng and Bole reclamation areas have been equipped with sprinkling systems which can save 60 million cubic meters of water a year, equivalent to building a medium-sized reservoir.

A leak-proof pipeline stretching 14,000 km has been laid in the southern and northern slopes of Tianshan Mountain, which prevented 800 million cubic meters of water from leakage annually.

Drip and root-watering irrigation technology, imported from Israel, are being used in Shihezi city and Tarim Basin.

Tacheng Prefecture has built a pressure sprinkling system on 11,333 ha of land, the largest of its kind in both China and the world.

The technique of digging a furrow on plastic-film-covered fields, which can save 1,500 cubic meter of water for every ha, has been applied on 100,000 ha of land.

In the Ninth Five-Year Plan period (1996-2000) the region is to build 14,000 km of leakage-proof pipelines and expand the area under sprinkler irrigation by 24,000 ha.

**PRC: Yunnan To Strive For Bigger Grain Yield**

OW2805002396 Beijing ZHONGGUO XINWEN SHE in English 2321 GMT 27 May 96

[FBIS Transcribed Text] May 27 (CNS) — The Yunnan Provincial Party Committee and the provincial government recently decided that an increase in grain yield and the realization of self-sufficiency of grains were set major goals for the current Ninth Five-Year Plan period.

Yunnan has maintained a continuous rise in grain yield in recent years. Grain yield reached about 11.89 million tonnes last year, 420,000 tonnes up over 1994. Shortage of grains however remained as the province's population kept on growing, the arable land under cultivation was in decline and grain consumption increased. Per capita grain supply was rather low and contradictions between production and marketing of farm produce were acute.

According to the production plan, by the year 2000 the provincial grain yield has to grow by 1.5 million tonnes with an annual gain of 300,000 tonnes on average.

By capitalizing on local advantages, local authorities were requested to painstakingly exploit mountainous resources so as to boost grain yield.

During an inspection visit to Yunnan in mid-May, Premier Li Peng stressed that agricultural foundation had to be strengthened and a demonstration zone for the comprehensive development of agriculture be set up in the Province in order to realize self-sufficiency of grains.

### East Region

#### PRC: Paper Mills in Anhui Closed To Reduce Huaihe Pollution

OW2605153496 Beijing XINHUA in English  
1520 GMT 26 May 96

[FBIS Transcribed Text] Hefei, May 26 (XINHUA) — Ten paper mills have been shut down along the Huaihe River across the eastern part of China to reduce pollution.

The blow for the factories, whose annual production capacity is below 5,000 tons of paper, came after the government of Huainan City, a coal and chemical industry base, handed over the right to shut down any small-sized factories causing severe pollution, to its environmental protection bureau.

The bureau will also be the first agency to consider approving new industrial projects.

China is determined to clean up the Huaihe River, a mighty river after the Chang Jiang River and the Yellow River, by the end of the century.

#### PRC: Fujian Governor Addresses Social Stability Meeting

OW2905065896 Fuzhou FUJIAN RIBAO in Chinese  
15 May 96 p 1

[Report by staff reporters Tian Minghua [3944 2494 5478] and He Zumou [0149 4371 6180]: "To Consciously Implement the Party Central Committee's Plan and Resolutely Maintain Social and Political Stability, the Provincial Party Committee Holds a Second Meeting To Analyze Social Stability, Which Chen Mingyi Chairs and Addresses]

[FBIS Translated Text] The provincial party committee held a second meeting on 14 May to analyze social stability. In addition to analyzing and discussing problems concerning public order and social stability at present, the meeting also made plans for the tasks of the next stage.

Chen Mingyi presided over the meeting. You Dexin, Xi Jinping, Lin Zhaoshu, Chen Yingguan, Huang Songlu, Huang Ruilin, Zhang Jiakun, Yuan Qitong, Lin Kaiqin, Fang Zhongbing, Zheng Yizheng, and responsible persons of relevant departments attended the meeting.

The meeting held: Since the provincial party committee held its first meeting to analyze social stability, we have basically maintained social and political stability under the direct leadership of the provincial party committee and government and through the concerted efforts of all people throughout the province. However, it should also be noted that there are still factors affecting social

and political stability and that some of these factors are rather serious. So we must continue to keep sharp vigilance and further strengthen our work in various fields to maintain social and political stability.

Chen Mingyi, deputy secretary of the provincial party committee and governor, made an important speech at the meeting. He stressed: Maintaining social stability is an important aspect of paying attention to politics; and this reflects that we maintain close unity with the party Central Committee with Comrade Jiang Zemin at the core and that we keep close ties with the masses, protect their interests, and are concerned with their safety and well-being. Maintaining social stability particularly represents a proper handling of the relationship between reform and development and stability, and it is an important guarantee for us to achieve the grand trans-century objectives. Therefore, we must be ever more determined to practically achieve ever bigger results in this regard.

Chen Mingyi pointed out: The key to maintaining social stability lies in the leadership. "It is the duty of an official to ensure the safety of all those living under his jurisdiction." This is an unshirkable political duty of party committees and governments at various levels. Party leaders at various levels, especially principal party and government leaders, must act in the spirit of being highly responsible to the party and the people, regard defending the area under their jurisdiction and ensuring a peaceful life for the people as their duty, and do a good job in organizing and leading people to maintain social stability. They must promptly organize forces to solve the problems that affect local public order most seriously and about which the masses have complained the most. They must deal sure, accurate, and relentless blows at criminals. All departments and units, under the leadership of party committees and governments, must each make every possible effort to do their own duties and take the initiative in coordinating with one another in maintaining social stability in various fields. It is necessary to bring about a situation in which principal party and government leaders assume overall responsibility, and departments at various levels make concerted efforts to tackle problems in this regard.

Chen Mingyi stressed: According to the requirements set by the party Central Committee, this struggle to crack down on serious criminal activities has just begun. It is still an extremely arduous task to win the victory of this struggle and to effect a marked turn for the better in public order. We must highlight the focal points and concentrated our efforts on cracking down on robbers and criminal gangs and on arresting fugitives from justice. The provincial leading group for crime crackdown has decided that the stress of the struggle in the next

stage is to be put on tackling difficult problems, thoroughly investigating criminal cases, and making substantial progress in solving outstanding problems. We must concentrate forces on cracking major or serious cases which are very harmful and of a tremendous adverse effect, as well as serious case of crimes committed after the start of the struggle. We must dare to crack down on criminal gangs and vicious underworld elements that hide themselves rather deeply in society, and we must overcome all obstructions and difficulties to completely wipe them out. We must make every possible effort to bring major fugitives to justice. At the same time, we must strictly enforce the law and implement to the letter the principle of "sternly and promptly punishing criminals according to law." We must fully mobilize the masses and resolutely implement the principle of combining special organs with the mass line to launch a strong offensive to round up criminals. Departments at various levels must take effective measures and make unrelenting efforts to bring about several successive upsurges in deepening the struggle throughout the province to achieve actual results and win prestige among the people.

Chen Mingyi stressed: The effort to maintain social and political stability involves various sectors. Therefore, it is necessary to make overall planning and take all factors into consideration. While carrying out the struggle to crack down on serious criminal activities, we should also seize this opportune time to tackle problems of public order in a comprehensive way, to pay close attention to all the work related to the maintenance of stability, to properly handle various social contradictions, and to resolutely ban all illegal religious activities. At the same time, We should further strengthen the building of the contingent of judicial, procuratorial, and public security cadres and make it possible for those cadres to integrate with one another and help one another forward in order to ensure long-term social stability.

#### **PRC: Construction Set for Sanming Airport in Fujian**

*OW2805163196 Beijing ZHONGGUO XINWEN SHE in English 1516 GMT 28 May 96*

[FBIS Transcribed Text] Kong, May 28 (CNS) — He Tuanjing, mayor of Sanming City, a heavy industry base in Fujian Province, said in Hong Kong that with the approval of the State Council, the construction of Sanming Airport has been included in the "Ninth Five-Year Plan".

The Municipal Government has allocated RMB 150 million for the first stage of construction. Bids will be invited for the project in June, he said.

Mr. He said that in order to deepen reform and further improve the investment conditions for attracting mainland and overseas investors, the Municipal Government was planning to invest RMB 4 billion in basic infrastructure construction. It will also invest a total of RMB 800 million in the Airport project, RMB 1.5 billion and RMB 2.2 billion, respectively in construction of local highways and railway lines.

Sanming is located in the northwest part of Fujian. In January 1993, it was approved as a coastal economically open region by the State Council. It has a solid industrial foundation, boasting metallurgy, chemical, coal, machine-building, textile, dyeing, plastic, paper-making, timber, building materials, electronics and medicine industries.

Last year, the industrial output of Sanming exceeded RMB 25.5 billion; the total output value of township enterprises hit RMB 23 billion. In the past three years, foreign businessmen have been investing there one by one with foreign capital actually used amounting to RMB 1.5 billion.

Mr. He said that to further attract foreign capital, the strengthening of basic infrastructure was important. At present, there are highway networks extending in all directions in Sanming; the Yingtan-Xiamen Railway runs through the city's territory. Upon completion of Sanming Airport, large planes like Boeing 737 can take off and land at the airport.

Sanming also plans to upgrade the railway line connecting itself with Longyan. Now the second-grade highway, stretching over 277 kilometres from Sanming to Fuzhou, capital of Fujian province, has been basically completed. With completion of all these basic infrastructure projects, Mr. He said, the investment conditions of Sanming would be much better.

#### **PRC: Jiangsu's Changzhou City Executes 6 Criminals**

*OW2405120596 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 23 May 96*

[From the "Provincial News Hookup" program]

[FBIS Translated Text] Changzhou City Intermediate People's Court on 23 May passed judgments on criminals who committed the crimes of murder, robbery, and theft and executed six criminals who committed heinous crimes and seriously endangered people's life and properties in accordance with the law.

**PRC: Jiangsu Computer Network Links Up With Internet**

*OW2705083396 Beijing XINHUA in English  
0656 GMT 27 May 96*

[FBIS Transcribed Text] Nanjing, May 27 (XINHUA) — A computer network in east China's Jiangsu Province has hooked up with the Internet, the worldwide computer data bank.

As the largest data base in the world, the Internet offers information in almost all spheres to computer users, covering 54 countries around the world.

The Jiangsu Provincial Science and Technology Information Institute and the Nanjing Electric Power Automation Research Institute realized the connection jointly. It is the first province in the country to link up with the Internet.

The Jiangsu Provincial Science and Technology Information Institute is the largest information retrieval department in the province, with 22 data banks, including scientific and technological journals, economic news and technological findings.

On-line computer users in foreign countries now can get Jiangsu-based information concerning scientific and economic development. Meanwhile, the research departments, universities and enterprises in the province can also receive immense information and high technology through the Internet.

So far, several cities and departments have already linked up with the Internet, including the Beijing-based Chinese Academy of Sciences, Qinghua University, Beijing City and Nanjing, the capital city of Jiangsu.

**PRC: Jiangsu To Raise Telecommunications Level in 5-Year Period**

*OW2805162796 Beijing ZHONGGUO XINWEN SHE in English 1515 GMT 28 May 96*

[FBIS Transcribed Text] May 28 (CNS) — During the "Ninth Five-Year Plan"(1996-2000), Jiangsu Province will raise its level of telecommunications capacity by increasing investment in construction of 29 fibre-optic cables, 11 satellite ground stations in 11 major cities under the jurisdiction of Jiangsu. Thus the development of telecommunications industry in Jiangsu will be further enhanced.

The development of digital transmission and telecommunications networks mainly supported by fibre-optic cables and assisted by microwaves and satellites channels, is the main target of Jiangsu's telecommunications industry during the "Ninth Five Year Plan".

According to this plan, part of five national fibre-optic cables — from Shanghai to Wuhan, from Shanghai to Dalian, from Lianyungang to Xuzhou, from Nanjing to Shanghai and from Nanjing to Jinan — are constructed by Jiangsu. The total length of these cables amount to over 2,000 kilometres. At the same time, Jiangsu will also develop 24 provincial funded fibre-optic cable laying projects with a total length of 2,500 kilometres.

The Jiangsu section of fibre-optic cables from Shanghai to Wuhan and from Shanghai to Dalian was completed in mid-April; thus more than 100,000 long-distance telephone lines will be provided to Jiangsu. Now Jiangsu is preparing for the laying of fibre-optic cables from Lianyungang to Xuzhou, which is expected to start next year.

In the "Ninth Five-Year Plan", Jiangsu will also build a microwave telecommunications network, which connects 11 cities within the province with Nanjing as the core.

Moreover, 11 satellite ground stations will be set up in cities under the direct jurisdiction of Jiangsu. The Nanjing Satellite Ground Station, a first-class station at state level, is now under construction. The completion of all these projects is believed to create a favourable condition for the upgrading of the province's telecommunications capacity.

**PRC: Jiangsu Sets Up International Distribution Corporation**

*OW2905165396 Beijing XINHUA in English  
1606 GMT 29 May 96*

[FBIS Transcribed Text] Nanjing, May 29 (XINHUA) — As part of efforts to build market economic mechanisms Jiangsu Provincial Material Corporation has officially been incorporated in Nanjing, capital of Jiangsu Province, replacing the former materials bureau under the provincial government.

The new corporation has been built according to the mode of an international comprehensive corporation, and is engaged in distribution, production, scientific research, finance, and information.

It is one of the enterprises in China's distribution sector which has been granted with foreign trade rights, and has established business ties with a number of countries and regions including Australia, Russia, Japan, the United States, Canada, Hong Kong and Macao, and some countries in Europe.

The corporation, with three branches and 30 sub-companies, not only deals in materials, but also real estate, storage, transportation, processing, financing, and tourism.

In its trial operation the corporation last year turned over sales of four billion yuan (481.92 million US dollars), ranking first in the country.

**PRC: Private Sector Doing Well in Shandong**

*OW2005085096 Beijing XINHUA in English  
0823 GMT 20 May 96*

[FBIS Transcribed Text] Jinan, May 20 (XINHUA) — The number of privately-owned businesses in east China's Shandong Province has risen to 2.3 million and the number of employees to 5.5 million, both of which are the highest figures for the country.

These firms have registered funds of more than 23.5 billion yuan. Over 40 of them started with 10 million yuan or more each in funds, indicating that the scale of private business is growing.

In 1995, the output value generated by private businesses rose to 32.1 billion yuan and the combined turnover surpassed 80 billion yuan.

In recent years, some 300 firms have started joint ventures with overseas investors, 320 became export-oriented firms, and 1,000 shifted to technology-intensive products.

The number of managers with college degrees exceeds 20,000 and the firms have about 10,000 technicians.

**PRC: Reduced Tariffs Help Increase Shanghai Imports**

*OW1605155696 Beijing XINHUA in English  
1445 GMT 16 May 96*

[FBIS Transcribed Text] Shanghai, May 16 (XINHUA) — Shanghai handled more than 1.8 billion US dollars' worth of imports in April, a rise of 19.7 percent over the same period of last year, in the first month for China's reduced tariff policy and lifting of customs quotas for more than 170 goods.

Imports of general commodities, such as fertilizers, plastics materials, iron ore, cotton, crude oil, rolled steel, copper, machine tools, and metal rolling mills reached 717 million US dollars' worth, up 7.6 percent over the corresponding month of 1995.

Some goods, on which tariffs were lowered by a big margin, such as air-conditioners, color TV sets, refrigerators, household appliances, textile products, and chemical products, saw a similar growth rate in imports as April last year.

During the one-month period, equipment and facilities used by the city's foreign-funded enterprises saw a 49 percent increase in imports over 1995, to 421 million US dollars' worth, 393 million US dollars' worth in

equipment for textiles, plastic processing, hoisting, and instruments.

**PRC: Shanghai's Traffic Police Rely on Science, Technology**

*OW2705135896 Beijing XINHUA in English  
1341 GMT 27 May 96*

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — China's biggest city, Shanghai, is to reduce the strength of its traffic cop division by a seventh, by relying on science and hi-tech to police its vast road network.

The use of science and technology will help the coastal city improve traffic control, experts said.

The city is scheduled to reduce the number of its traffic police by one-seventh in the coming five years.

Shanghai's traffic flow, however, will increase by eight percent by the end of the century, sources with the municipal traffic control department revealed.

By then the city's roads will have to cater for 820,000 motor vehicles and seven million bicycles and other non-motor vehicles, the sources said.

Traffic police in Shanghai are to introduce the most advanced computer systems, and hi-tech telecommunication means to examine traffic scenes, transmit information, and deal with accidents.

A computer network, which will cover the road system of the whole municipality, is scheduled to be established by the year of 2000.

The network will be able to transmit information to every command center and every intersection in the city, improving the quick-response capability of the police.

The number of motor vehicles in Shanghai has raced forward by 62 percent during the 1992-1994 period, while the road space of the city increased by 14 percent, lagging far behind the city's needs.

**PRC: APEC Meeting Views Close Cooperation With Shanghai**

*OW2905140896 Beijing XINHUA in English  
1352 GMT 29 May 96*

[FBIS Transcribed Text] Shanghai, May 29 (XINHUA) — Shanghai, China's largest metropolitan business hub, is cooperating more closely in economic expansion with Asian-Pacific countries and regions, according to an APEC meeting in the city today.

Jiang Yiren, vice-mayor of Shanghai, said that eight out of the city's top ten trade partners are APEC members,

who received two thirds of its total export commodities annually.

By the end of last year, the Asian-Pacific area provided 85 percent of Shanghai's direct overseas investment, with 12,463 projects involving 29.13 billion US dollars in investment.

Jiang pointed out that the prosperity and stability of Asian-Pacific area serves as an important element for the economic growth of Shanghai, and their links will develop to a new high in the future.

**PRC: Zhejiang Accelerates Port Construction**

*OW2005114196 Beijing XINHUA in English  
0718 GMT 20 May 96*

[FBIS Transcribed Text] Ningbo, May 20 (XINHUA) — Deep-water Beilun Port, near Ningbo in China's Zhejiang Province, is expected to inject 60 million US dollars in the technical transformation of its container terminal.

The scheme is seen as support for Shanghai, the major port on the east China Sea, aiming to become an international shipping center, according to Zhejiang provincial authorities.

Earlier this year during inspection tours to Shanghai, Jiangsu and Zhejiang, Premier Li Peng and Vice-Premier Wu Bangguo called for measures to build Shanghai into an international shipping center to be speeded up. They also called for support from neighboring Jiangsu and Zhejiang.

The Beilun Port transformation scheme aims at bringing the handling capacity of the terminal to 800,000 standard containers. The project is the result of one of four special meetings of the Zhejiang provincial authorities.

Beilun Port authorities have already ordered part of the equipment needed for the transformation from Japan and Germany.

The port is also injecting huge funds in modern facilities and sending people to Hong Kong on study tours, designed to upgrade port management, which will eventually ensure the port operates around the clock — 365 days a year and 24 hours a day, port officials said.

Also under the plan, the port will launch regular liners to the eastern seaboard of the United States. Plans for liners to be sent to Canada and Europe are also being studies.

Steps are also being taken to improve railway, highway and sea transportation to facilitate shipping activities.

**PRC: Zhejiang Security Arrests Man Selling Military Information**

*OW2205125796 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 20 May 96*

[From the "Provincial News Hookup" program]

[FBIS Translated Text] Recently, through intensive investigation, the state security organ of Hangzhou City cracked a case in which a mainland resident tried to sell our important military information to Taiwan's spy and intelligence agency. Yang Chunbin, the criminal involved in the case, was arrested according to the law. Yang Chunbin, also known as Yang Jun, male, 27, was born in Nanling of Anhui. His current residence address is 157 Baileqiao, Lingmin Road of Hangzhou City. In early March this year, during our military exercises in the southeast coastal area, he attempted to sell some important secret military documents that he held illegally to Taiwan's spy and intelligence agency. Through intensive investigation, the state security organ of Hangzhou City arrested Yang on 23 March, and seized the important secret military documents that he tried to sell. During the interrogations, Yang confessed the criminal facts. His activity violated the PRC State Security Law. The case has been transferred to the judicial organ for further handling.

**PRC: Coastal Zhejiang Province Tackles Water Shortage**

*OW2705082896 Beijing XINHUA in English  
0639 GMT 27 May 96*

[FBIS Transcribed Text] Hangzhou, May 27 (XINHUA) — East China's Zhejiang Province has given top priority to tackling the problem of the growing water shortage.

This might come as quite a surprise since the coastal province to the south of the Chang Jiang River delta has always been known for the numerous water courses, and long enjoyed the fame of being the area with the richest water resources in the country.

However, lack of a proper environmental protection strategy, in addition to a surging population as well as fast economic development, has made water shortage an ever-worsening problem in this one of China's most developed provinces.

According to the local water conservancy department, half of the province's 70 cities and counties are plagued by severe water shortages, and one fourth of its water plants have moved or are moving to other sites because of contaminated water sources.

Water shortage has become a major cause of losses in both industrial and agricultural production.

To fight water pollution the province has issued over 600 laws and regulations on the use of water, and implements the systems of license for industrial water use and examination of construction projects concerning rivers. Violations are severely dealt with.

Zhejiang has also focused on the establishment of a special body to manage water resources and one to impose water use regulations.

Several major water-conservancy projects are being undertaken in Wenzhou, Ningbo and Jinhua cities to develop new sources of water and improve water supply for both economic production and people's living.

To curb waste of water and pollution, some 100 water-saving and sewage-treatment techniques have been introduced to every part of the province. In the meantime, water-saving and pollution-free businesses enjoy preference in the local economic development strategy, while those that cannot solve their pollution problems will have to close down.

Price adjustment has also been adopted to help save water. For example, by raising the cost of extracted groundwater, people are encouraged to use river and lake water for daily use and industrial and agricultural production, and groundwater is exclusively used as drinking water.

#### **PRC: ARCO Delegation Visits Zhejiang**

*OW3005085196 Beijing XINHUA in English  
0826 GMT 30 May 96*

[FBIS Transcribed Text] Ningbo, May 30 (XINHUA) — ARCO Petroleum Co. Ltd, a US-based petroleum giant, is seeking a greater position in this coastal city in east China's Zhejiang Province, where Asia's second-largest oil refinery is being built.

A high-level business delegation led by a deputy executive vice-president of the company has been in the city this week, expressing keen interest in co-operating with Ningbo and other areas in east China in developing the petrochemicals, power and infrastructure sectors.

The business delegation is particularly interested in working with the Zhenghai Oil Refinery and Chemical Industry Holdings Company, which is expected to reach 15 million tons of annual oil refining capacity by the end of the century.

With China's largest coal, ore and crude oil terminals, Ningbo is also building a large petrochemicals plant with another US company, with a total investment of three billion US dollars.

With a history of 125 years, ARCO is one of the 25 industrial companies in the United States and the 196th-

largest business firm among the 500 global business giants. Besides the Yacheng 13-1 natural gas project with an investment of 1.2 billion US dollars in the South China Sea, the company also holds ten percent of the shares in the Zhenghai Oil Refinery and Chemical Industry Holdings Company.

#### **Central-South Region**

##### **PRC: Guangdong Refines Emigration Rules for Hong Kong Children**

*OW2005045996 Beijing ZHONGGUO XINWEN SHE in English 0113 GMT 20 May 96*

[FBIS Transcribed Text] 17 May (CNS) — Guangdong Province has once again made clear the emigration procedures governing the children of Hong Kong permanent citizens born in Guangdong who wish to join their parents to settle for good in the territory.

Said Li Shuwen, deputy head of emigration and immigration services under the Guangdong provincial public security bureau at a press conference today : "This arrangement is only applicable to children born after 1 July 1975 and they must also fulfill the following criteria namely (1) either the father or mother had already acquired the permanent Hong Kong citizenship at the time the child was born and (2) the child must be a registered Guangdong resident."

In addition, the applicants (i.e. the children) shall apply to the emigration and immigration department in the cities/counties concerned where their records are kept by way of filling in emigration application forms, producing their own birth certificates and household registration certificates plus their parents' Hong Kong identity cards, home re-entry permits and marriage certificate, together with the mainland identity card of either their father or mother.

Mr. Li further disclosed that Between October 1993 and April 1996, the Province have processed a total of 115,000 applications of which details pertaining to 90,000 applications have been forwarded to the Hong Kong Immigration Department for verification. Among them, 83,000 have been re-verified and 29,000 have been granted permission to go to Hong Kong.

##### **PRC: Guangdong Governor on Sino-German MPV Automobile Project**

*OW2105042196 Beijing ZHONGGUO XINWEN SHE in English 0128 GMT 21 May 96*

[FBIS Transcribed Text] May 20 (CNS) — Guangdong province has attached importance to the Sino-German funded MPV automobile project which is located in the

province, Guangdong Provincial Governor, Lu Ruihua, said.

The project is included in the province's "Ninth Five-Year Plan" (1996-2000) and will exert a significant impact on the development of the automobile industry in Guangdong. Mr. Lu made the remark when meeting the delegation headed by the Chairman of Mercedes-Benz.

The head of the delegation said that Mercedes paid much attention to the project. The Board of Directors had recruited new directors responsible for this project. Mercedes-Benz was willing to run this project well with the Chinese party.

China South Automobile Company Limited and their German counterparts began negotiations about two years ago on this US\$1.82 billion investment. On July 13 of 1995 both parties signed an agreement. On January 19 of 1996 a feasibility report was signed. At present, the contract and regulations relating to this joint venture are under negotiation.

#### **PRC: Guangdong Satellite Radio To Begin Trial Broadcasting**

*OW2805014496 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 24 May 96*

[From the "Provincial News Hookup" program]

[FBIS Translated Excerpt] The Guangdong Satellite Radio Station will begin trial broadcasting on 1 June. This will be a new milestone in Guangdong's radio broadcasting development. [passage omitted]

Guangdong satellite radio broadcast will be transmitted via the Asiasat-2 satellite. In addition to all of China, the broadcast will reach the Pacific region to the east, eastern Europe and Russia to the north, most parts of Africa to the west, and Australia and New Zealand to the south, covering a population of more than 2 billion. [passage omitted]

Mandarin will be the main language used in the satellite broadcast. During the trial broadcasting period, the station will operate 19 hours a day and will gradually increase to 24 hours a day.

#### **PRC: Guangdong Employers Must Join Compulsory Social Security**

*OW2905144096 Beijing ZHONGGUO XINWEN SHE in English 1403 GMT 29 May 96*

[FBIS Transcribed Text] May 29 (CNS) — A newly-enacted regulation, which aims to provide greater protection to the unemployed persons, will be enforced in Guangdong Province from July.

The regulation requires all employers to join a compulsory social security scheme by paying in advance a 1 per cent deposit of the average wages of the past 12 months of each and every of their employees. And this will form a pool of emergency funds to be realised to the jobless upon the government's vetting.

If an employer fails to pay the deposits, the court can compel them to do so.

Said deputy provincial governor Zhong Qiquan: "By the end of 1995 an aggregate of RMB 36 million has been released to aid some 36,000 jobless people out of a total of 4.23 million workers on this scheme."

In the first quarter ending on 31 March 1996, the unemployment rate of Guangdong went up a little bit to hit 2.45 per cent yet plagued by an additional 1.1 million surplus staff dumped from companies.

#### **PRC: Haikou Attracts More Overseas Investment**

*OW2805123796 Beijing XINHUA in English 1221 GMT 28 May 96*

[FBIS Transcribed Text] Haikou, May 28 (XINHUA) — This capital of Hainan Province in South China, has become a favored place for overseas investment.

The city approved 69 overseas-funded enterprises in the first four months of this year, involving a total contractual investment of 237.95 million US dollars. The actual investment already used was 98.976 million US dollars, an increase of 23.8 percent over the same period of last year.

An official of the city's economic co-operation bureau said that most of the projects are connected with industry and suburban agriculture.

Companies from Hong Kong and Taiwan maintain the lead in such investment.

At present, Haikou has 5,400 overseas-funded enterprises. Their gross output value in the first four months of this year amounted to 149.74 million yuan, sales income climbed to 140.21 million yuan, and exports were valued at 13.15 million US dollars, up 53 percent, 48 percent and 11.7 percent, respectively, over the same period of last year.

The official attributed the good result to the city's daily improving investment conditions, better services and healthy profits earned by overseas investors.

#### **PRC: Hainan Expands Road Construction Efforts**

*OW3005075296 Beijing XINHUA in English 0733 GMT 30 May 96*

[FBIS Transcribed Text] Haikou, May 30 (XINHUA) — As part of an ambitious scheme to improve its

transportation network, the tropical island province of Hainan, China's largest special economic zone, is busy building its second around-the-island super highway.

The 2.2 billion-yuan (265.06 million US dollars) road, which is expected to be completed by the end of the year, is considered vital to the construction of a south-north industrial corridor and the economic take-off of the western part of the province, provincial authorities said.

The project is also deemed by top central government and provincial figures to be of great significance to the development of the island's Yangpu Development Zone, which is the country's first development zone heavily invested by overseas investors.

Under the elaborate plan formed in 1993, the province vowed to build a network of modern roads with super highways as main arteries, high-grade roads linking the cities and counties, and ordinary roads connecting the townships and villages.

To date, the province has already fueled over two billion yuan in the building and upgrading of over 780 kilometers of highways, including a 268-km-long super highway at the eastern part of the island. Total highways amount to 170,000 km.

#### **PRC: Article Views Crackdown on Crime in Henan Province**

*SK2605034996 Zhengzhou HENAN RIBAO  
in Chinese 30 Apr 96 p 1*

[HENAN RIBAO editorial "Carefully Organize the Crackdown and Make It Powerful and Impressive"]

[FBIS Translated Text] In line with the central unified plan, Henan Province started its "crackdown" struggle during the past few days. This is the provincial party committee and government's major measure for implementing the important central policy decision and is the objective need of solving the current public security problems, and it complies with the popular will. This struggle is of great importance to effectively safeguard a secure life for the masses, promote the smooth progress of reform, opening up and economic construction in the province, and create a good public security environment to make a good start in implementing the Ninth Five-Year Plan and the long-term target for the year of 2010. Party committees and governments at all levels and all departments should profoundly understand and conscientiously treat this struggle from the perspective of stressing politics. In general, the province's current public security situation is stable, but we should not be optimistic. Various kinds of problems that harm public security are fairly prominent. Factors inducing

criminal offenses have increased in number, leading to an increase in the number of criminal cases, and the means of committing crimes are upgraded, causing great harms. Particularly, major criminal cases such as bombing, planting, murder, robbery, and rape, are increasing in number. Since the first quarter of this year, the number of criminal cases involving guns, car theft and robbery, and drug abuse have greatly increased. Criminal cliques and hooligan and evil forces with the nature of the underworld society have run wild in villages and bullied the people in some localities. A number of serious criminals in the province are still at large, and some of them are still doing evil and harming the society. Perverse religious activities are rampant in some localities. The broad masses of people have strong comments on this and urgently called for taking resolute measures to strictly punish all sorts of criminals.

In launching this "crackdown" struggle, we should direct the spearhead of attack to serious criminals in a concentrated manner, clench our fists, and make the struggle powerful and influential. As far as the whole province is concerned, it should take centralized actions against serious crimes of violence, theft and, robbery as well as gang and hooligan crimes, investigate and check the social repulsive phenomena of pornography, gambling and drug abuse. All localities should act in line with the province's unified plan and in accordance with the local reality and public security features, accurately select their focal points of attack, and conduct a special struggle and regional rectification work of different contents and of various forms. In the urban areas, we should strike stern blows to the cases of robbery, theft, car theft and robbery and cases on committing crimes hither and thither targeted at banking units and urban residential areas; in the rural areas, we should concentrate efforts to attack rural hooligan and evil forces and frequent thefts and improve places where public order is chaotic; in areas where the urban and rural areas are connected and in outlaying areas, we should conscientiously, comprehensively and thoroughly check the floating population and temporary population and rental houses, and promptly discover, investigate and handle criminal cases. In railway and highway lines, we should particularly strike blows to bus and train marauding and waylaying activities, strictly punish a batch of criminals guilty of robbing, looting, and extorting transported materials and money from passengers. In addition, we should organize in a timely manner special action to struggle against such crimes as stealing and damaging power and water conservation facilities for agricultural use, to strike blows to the abduction and sale of women and children, and to investigate and check some specific repulsive phenomena; strive to crack a number of major cases

through this "crackdown" operation, and conclude a number of major long-pending cases; take centralized action to improve a number of places where public order is chaotic, and destroy a batch of criminal cliques and evil forces; heavily and rapidly handle a number of criminals who are guilty of the most serious crimes and arise great hatred among the people and enable the broad masses of people really have a sense of security.

While launching this "crackdown" struggle, principal and responsible comrades of party and government organs at all levels should really and carefully organize and direct this work with the spirit of being extremely responsible to the party and the people, deal steady, accurate and relentless blows to serious criminals, rapidly improve the public security situation in some localities, and maintain a stable overall social and political situation and basic stability in public security in the whole province for a considerable long period of time to come. Meanwhile, we should extensively publicize and mobilize the masses, wildly create public opinions and momentum for this "crackdown," call on the broad masses of people to actively participate in the struggle against serious crimes, and form a social atmosphere in which everybody cares for the security situation, makes concerted efforts to solve security problems and devotes all-out efforts to safeguard public order.

The public security, procuratorial and judicial departments have to shoulder particularly important duties and responsibilities during this "crackdown" struggle. They should exert their utmost with a combat attitude to participate in this struggle, perform their own duties, maintain close cooperation and fight in a coordinated manner. We should draw the past lessons of some localities where the "crackdown" work was roughly carried out, pay attention to grasping policies, manage things strictly in line with the law, and guarantee the quality of handling cases. Public security organs at all levels should work on the forefront of the "crackdown" struggle, adopt all sorts of effective measures to capture the criminals at large, and never let serious criminals escape unpunished. The public security, procuratorial and judicial front should enhance the comprehensive fighting ability and law enforcement level of the ranks of public security, procuratorial and judicial workers through this struggle, maintain close ties between the policemen and civilians, and further cultivate a good image of the public security contingents.

It is necessary to integrate the "crackdown" struggle with the maintenance of social and political stability and the implementation of all measures for comprehensive improvement. While waging this struggle, all localities should realistically carry out work on social

and political stability and should do it well. Leaders at all levels should pay attention to studying the social problems cropping up in the course of reform and development, correctly distinguish between the contradictions of two different kinds, realistically change work style, go deep to the grass roots to solve problems, and eliminate all contradictions in the bud. To comprehensively improve public security, we should combine attack with crime prevention, improve and strengthen the grass-roots party and government organizations, public security, procuratorial and judicial organizations and peace maintenance organizations, change the weak and listless state in the grass-roots organizations of some localities, and enhance their ability to safeguard public order. Only thus, can we consolidate the "crackdown" achievements and lay a solid foundation for long social stability.

Let us make concerted efforts, do solid work, successfully fulfill this task of major political significance and make new contributions to ensuring a secure life for the people, maintaining a long period of social stability, and guaranteeing the smooth progress of reform, opening up, and economic construction.

**PRC: Group of Criminals Executed by Shooting in Henan**

*SK2905133496 Zhengzhou HENAN RIBAO in Chinese 8 May 96 p 1*

[FBIS Translated Excerpt] On the morning of 7 May, Zhengzhou City Intermediate People's Court held an open trial to pronounce the sentence to 55 serious criminal offenders who were involved in 21 cases. Shen Yanxing, Yang Tiejun, Zhang Xinjian, and some other serious criminal offenders were sentenced to death and were escorted to the execution ground for shooting. [passage omitted]

**PRC: Hubei Secretary at Teleconference on Crackdown**

*SK2605034096 Wuhan HUBEI RIBAO in Chinese 30 Apr 96 pp 1, 2*

[FBIS Translated Text] The provincial party committee and government held a teleconference in Wuchang on 22 April to arrange and mobilize the provincewide "strict crackdown" struggle. Jia Zhijie, secretary of the provincial party committee, gave an important speech at the teleconference. He urged: Party committees and governments at all levels should strengthen leadership, top leaders should personally take action, and the entire party should be mobilized to organize meticulously, to give full play to the role of public security, procuratorial, and judicial departments as the major force and

the functional role of all relevant departments, to extensively and deeply mobilize and rely on the masses to strike with heavy blows and make concerted efforts in the overall battle to encircle and suppress criminals with serious criminal offenses and solve public security problems, to achieve a quick victory in the battle, to ensure stability in the public security and society throughout the province, to make a good start and create a good social environment for the implementation of the Ninth Five-Year Plan and the long-term target for the year 2010, and to enable the people in the province to see that the party and government not only have the confidence in promoting economic construction but also have the ability to improve public security.

Jia Zhijie pointed out: Party committees and governments at all levels in the province have adhered to the principle of "attending to the two tasks simultaneously and achieving success in both" since the beginning of this year. They have completed a large amount of work to maintain public security and stability and achieved fairly great progress and results. However, public security problems remain conspicuous in some localities. Crimes involving guns, homicide, injuries, grave robbery, theft and swindling, and gang crimes are still rather serious, and drug crimes, gambling, and pornography still exist despite repeated prohibitions. Some criminal elements with serious criminal offenses are arrogant and frenziedly pose themselves as enemy of the masses and society, thus seriously endangering the socialist system, reform, opening up, economic construction, and the people's lives and property. All cadres with party membership should be highly alert toward this, and all party committees, governments, departments, and units should pay great attention to this. As another large-scale unified action taken after 1983, the current nationwide "strict crackdown" struggle launched under unified arrangements of the party Central Committee has an extremely important political significance. Party committees, governments, and all relevant departments should fully understand the special importance of this "strict crackdown" struggle, promptly make their thinking and action compatible with the guidelines of the central policy decision and the national conference on the "strict crackdown" on crimes, conscientiously perform their heavy responsibility to defend the land and reassure the public with the spirit of a high degree of responsibility to the people and to the law, meticulously organize the "strict crackdown" struggle as they do the "rice sack" and "vegetable basket" projects, and make sure that notable results are achieved.

Jia Zhijie emphasized: Top leaders of party committees and governments at all levels should exercise leadership directly, make arrangements personally, and mobilize

the forces from the entire party and entire society to fight an overall battle to encircle and suppress criminals. They should list this struggle high on their agenda, give timely guidance to all links of work from formulation of plans, arrangements for operations, and implementation to fund preparation for handling cases and seizing escapees, and help solve specific problems. All party committees and governments should pay close attention to the focus of the struggle and deal accurate and relentless blows to create a momentum and to achieve a new level. In line with the targets, requirements, focus of attack, and work tasks defined in the central instructions and provincial plans, they should proceed from specific local conditions to crack down on whatever crimes that are conspicuous, solve whatever problems that are conspicuous, and strengthen whatever work that is weak. They should create strong momentum in propaganda and public opinion and an upsurge in propaganda, extensively and deeply mobilize the masses and fully boost their enthusiasm to struggle against crimes, and organize the masses to support the party and government to punish, report, and expose crimes. Model individuals and advanced deeds reflecting courage and positive efforts in the fight against crimes should be greatly commended.

All departments and units have their own responsibilities for the "strict crackdown" struggle. They should perform their responsibilities and do their best to provide positive support and coordination to the struggle in all aspects. Party committees and governments should dispatch work teams to the units and departments where cases are many and public security is poor to carry out rectification, and the party and administrative leaders of these units and departments should fully mobilize their staff members and workers to actively coordinate and change their outlook within the defined period. Great emphasis should be put on the responsibility system to make sure that work is done at every level, with each level taking the responsibility for the next level. Top party and government leaders should be held accountable if their local "strict crackdown" struggle is not successful and their chaotic social order is not notably changed.

Jia Zhijie urged: Public security, procuratorial, and judicial departments should go all out and take concerted steps to resolutely, heavily, and promptly punish according to the law the criminal elements with serious criminal offenses. In compliance with the requirements of the party Central Committee and the provincial party committee, public security, procuratorial, judicial, and state security departments should mobilize forces and make arrangements immediately and plunge into the struggle with a special approach and measures, a combat atti-

tude, and strict discipline. We should unify thinking in law-enforcement, adhere to the principle of "two basic work" for the handling of cases, and increase the crackdown force to heavily and promptly punish according to the law the criminal elements with serious offenses. Public security organs at all levels should step up efforts to investigate and crack cases. In particular, they should concentrate efforts to handle a number of especially serious and evil cases. As gang crimes have caused the most serious danger and impact and aroused the bitter hatred among the masses, we should resolutely crack down on them whenever they are discovered. With regard to the criminal gangs and evil forces featuring underworld societies, we should eliminate them whenever they are discovered and ferret out their backstage supporters so that evil forces can be eradicated thoroughly and evil trends can be suppressed. Procuratorial and judicial organs at all levels should quicken the pace and upgrade the quality in handling cases. They should adopt both punishing measures and lenient policy and pay attention to tactics of the struggle to disintegrate criminals. While intensifying publicity of the legal system, justice departments should do a good job in managing, educating, and transforming people released from reform and reeducation through labor. Armed police forces should dispatch policemen in a rational manner to actively participate in the "strict crackdown" action.

Jia Zhijie pointed out: The "strict crackdown" struggle should be closely coordinated with other measures for comprehensive management of the public security in order to bring about lasting order and stability in society. We should also do crash jobs and regular crackdown simultaneously. We should integrate the crackdown action with preventive measures, managerial measures, and improvement efforts and greatly promote all grassroots basic work and preventive work to tackle all the problems and weak links discovered during the struggle. The principle of "having those in charge take the responsibility" should be conscientiously implemented. Publicity to and education on the legal system should be intensified to enhance the people's sense of respect for laws and enable them to check and resist crimes on their own accord. Press and publication departments should produce healthier and more beneficial products to guide the people to make progress actively and to prevent the negative impact on public security.

Jiang Zhuping, deputy secretary of the provincial party committee and governor, presided over the teleconference. Present at the central congregation site were Qian Yunlu and Yang Yongliang, deputy secretaries of the provincial party committee; Ding Fengying, Li Daqiang, Liu Rongli, Deng Guozheng, and Xu Shiqiao, standing committee members of the provincial party commit-

tee; Xie Peidong, vice chairman of the provincial people's congress standing committee; Jian Tiancong, vice chairman of the provincial committee of the Chinese People's Political Consultative Conference; Li Qifan, president of the provincial higher people's court; Zhong Shuqin, chief procurator of the provincial procurate; and comrades in charge from the various departments directly under the province. Comrades in charge from the party committees, governments, and relevant departments of various prefectures, cities, and autonomous prefectures, cities under the direct jurisdiction of the province [zhi guan shi 4160 46619 1579], as well as counties, cities [shi 1579], and districts also attended in their localities.

#### **PRC: Criminals Executed by Shooting in Hubei's Prefecture**

*SK2905121696 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 28 May 96*

[FBIS Translated Text] On 28 May, the Enshi Prefectural Intermediate People's Court and the eight county and city courts under its jurisdiction simultaneously held open trials to announce the sentences to 129 serious criminal offenders. Wu Zhenggu, Wang Taixian, and Gu Wenxiang, who were guilty of intentional homicide; Li Dechao, guilty of robbery; and Cheng Jianchun, guilty of intentional injury, were respectively escorted to the execution grounds and put to death by shooting at Enshi, Badong, Jianshi, and Xuanen.

#### **PRC: Hubei's Jiayu County Executes Murderer**

*SK1905084596 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 18 May 96*

[FBIS Translated Text] Xianning Prefectural Intermediate People's Court and the Jiayu County Political and Legal Commission held an open trial in Jiayu County on 18 May, publicly announcing judgments on 21 offenders in serious criminal cases, including (He Jun), according to law.

He Jun, who had committed homicide, received a death sentence and was executed by firing squad. More than 5,000 staff members and workers and peasants in Jiayu Prefecture joined the open trial.

#### **PRC: Hubei Reports Statistics on Firearms, Weapons Seizures**

*SK1905084696 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 16 May 96*

[FBIS Translated Excerpt] Since the province started struggling against crimes, public security organs at all levels throughout the province have consecutively cracked down on firearms-related cases. They have

seized a total of 5,080 guns of all kinds, 13 of them for military use. More than 2,870 bullets, 18,000 kg of explosives, 4,184 detonators, and 8,000 meters of blasting fuses have been seized. Some 2,100 cutting tools are under surveillance. [passage omitted]

### **Southwest Region**

#### **PRC: River Cleaning Causes Relocation of 100,000 Chengdu People**

*OW2305032596 Beijing XINHUA in English  
0138 GMT 23 May 96*

[FBIS Transcribed Text] Chengdu, May 23 (XINHUA) — Liu Guoqin, a retired construction worker in the capital of Sichuan Province, is pleased with his new house, which he got thanks to a 330 million US dollar environmental protection project, saying "I never dreamt of living in such a good house."

Liu and 100,000 other residents from 30,000 families in Chengdu were moved from the downtown area into newer, more spacious housing as part of a project to clean up the seriously polluted Funan River around the city.

The relocated residents were given the same amount of housing and were able to buy an additional 25 square meters for each family at a subsidized price of 200 yuan (about 24 US dollars) per square meter.

Most of the old houses in downtown Chengdu were 200 years old, and were low-lying, damp, and rundown, and near the Funan River. The silted-up river, a tributary of the Yangtze, is only capable of withstanding the kind of flooding that occurs every decade.

The 100,000 residents now live in about 20 new residential zones in suburban areas. At the same time, 4,000 enterprises and institutes along the river, which were mostly responsible for the daily discharge of 600,000 cu.m. Industrial waste and sewage, were also resettled.

The city government has allocated 2.7 billion yuan (3.3 billion US dollars) for the project, a figure equivalent to all the government's revenues for 1994.

The project, designed to clean 505 sq km of polluted river and to promote local economic development, was started in late 1994, and is expected to be completed by next year.

Wang Rongxuan, a city official, said that its goal is curbing pollution and ecological degradation in Chengdu, but even more importantly, to improve Chengdu's investment conditions, since 1,957 joint ventures have been set up over the past five years, with a total investment of more than 2 billion US dollars.

Zhang Jihai, who is in charge of the project, said that 80 percent of the project is expected to be finished by the end of the year, including environmental protection, flood-control, greenery, underground pipelines, and resettlement.

The flood-control project involves 18 km of embankments and consolidation of a 23-km dyke system, and dredging 16 km of the river, which will be widened 40 to 120 meters to increase the river's flood-control capacity to the worst possible flood every 200 years.

Experts from Japan and Britain say that an urban construction project involving the relocation of 100,000 residents from downtown areas is unprecedented even in developed countries.

#### **PRC: Chongqing Steps Up Control of Water Pollution**

*OW2905080196 Beijing XINHUA in English  
0712 GMT 29 May 96*

[FBIS Transcribed Text] Chongqing, May 29 (XINHUA) — The government of this major city in Sichuan Province has decided to shut down all small factories causing serious pollution to two rivers flowing through the city's western part.

A city government official said that all small chemical factories, small electroplating factories, small printing and dyeing mills, small paper mills and coking factories that discharge waste water into the Xiaoanxi and Bibei rivers must be closed before the end of 1997.

The official said that other enterprises along the rivers must bring their discharge of waste water to government-set standards before the end of next year.

Enterprises that fail to do so will be ordered to shut down or shift to other lines of production, he added.

The Chongqing City government has decided to concentrate on expanding low-energy-consumption, high-tech industries that will cause low pollution in the river valley in the future.

The water in the two rivers must meet the state standards for drinking water by the year 2000, he said.

The city government will spend 200 million yuan controlling pollution in the two rivers.

#### **PRC: Teachers' Housing Said Improved in Sichuan**

*OW2705093396 Beijing XINHUA in English  
0746 GMT 27 May 96*

[FBIS Transcribed Text] Chengdu, May 27 (XINHUA) — A new program named "Great Mansion" is expected

to help solve the housing problem faced by teachers in Sichuan, China's most populated province.

Within three years, all teachers in cities and towns will have enough living space, according to local sources. Many teachers who previously quit schools have come back to teach after the government gave them bigger houses, the sources said.

The province built 2.5 million square meters of houses last year, which meant that at least 25,000 teachers could move into them. The construction involved more than 800 million yuan (about 95 million US dollars).

Sichuan now has a population of more than 100 million.

The Chinese government has regarded education as the priority in its economic and social development, which is the most important way to improve labor quality.

**PRC: Sichuan Strives To Protect Tourists' Interest**

*OW3005103596 Beijing XINHUA in English  
1004 GMT 30 May 96*

[FBIS Transcribed Text] Chengdu, May 30 (XINHUA) — The tourism departments of Sichuan Province have taken effective measures to protect the interests of tourists, local officials said.

The province in southwest China has abundant tourism resources. However, some tourism enterprises go in for activities which harm the interests of tourists, such as false propaganda, contract violation and bad service.

Under such circumstances, the provincial tourism department has established supervision organizations in major scenic spots to take control of tourism services.

Officials with the organizations are responsible for dealing with complaints from tourists, and tourism agencies at fault will be punished.

Meanwhile, tourism agencies are required to turn in a certain sum of money at the beginning of the year, from which deductions will be made if an agency is found to have harmed tourists' interests.

If an agency does not receive any complaints for a whole year the money, together with relevant interest, will be carried over to the next year.

Provincial tourism officials said that this method has been very effective in regulating the activities of tourism agencies.

Other measures related to prices, sanitation of catering places, public security and traffic have also ensured good order of the province's tourism market, officials said.

**PRC: TV Center Enters Operation in Chongqing, Sichuan**

*OW2905140996 Beijing XINHUA in English  
1358 GMT 29 May 96*

[FBIS Transcribed Text] Chongqing, May 29 (XINHUA) — A TV center, built at a cost of 120 million yuan, has opened in Chongqing, a leading city of southwest China's Sichuan Province.

The center has a coverage of 3.33 hectares and a floor space of 32,000 square meters. Its main building is 125 meters high, with 27 floors.

The new center includes a large performance hall. The opening of the center will increase the city's TV program-making capacity which will be raised to more than 60 hours per week from 40 hours.

**PRC: Guizhou To Produce 150,000 Automobiles by 2000**

*OW2005124096 Beijing XINHUA in English  
0736 GMT 20 May 96*

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — The automobile industry in southwest China's Guizhou Province is expected to generate 12 billion yuan in output value by the turn of the century.

Car manufacturers will by then be able to produce 150,000 vehicles annually, and five billion yuan-worth of automobile parts.

The province now has more than 100 enterprises in the auto industry, including two vehicle manufacturers, 18 factories producing special items for autos, and more than 80 factories making auto and motorcycle parts.

Since 1987, the province has injected 1.8 billion yuan in the sector, producing 40,000 motor vehicles, and 1.2 billion yuan-worth of parts annually.

During the 1996-2000 period, the province will give priority to producing "Hangtian", "Skylark" brands as well as Isuzu autos, and will put more effort into building group enterprises in the sector.

**PRC: Tibet Commentary Calls for Crackdown on Crime, Splittism**

*OW3005015796 Lhasa Tibet Television Network in Mandarin 1200 GMT 29 May 96*

[Station commentary: Crackdown on Crimes to Maintain Stability" — read by announcer — from the "Regional News Hookup" program]

[FBIS Translated Text] A campaign to crack down on crimes and to improve public order has been launched

throughout the region recently. This is a concrete measure to implement the party Central Committee's important policy decision, as well as an undertaking that has received popular support. In line with the regional party committee and government's arrangements, all localities and departments should take vigorous action to plan and carry out the crackdown campaign for maintaining social stability.

At present, Tibet is enjoying political stability, economic prosperity, and social advancement. People across the region are marching forward, fully confident and united as one in implementing the Ninth Five-Year Plan. However, we should also soberly realize that splittists have continued to make trouble; the evil forces of criminal gangs and hooligans have run amok; heinous cases of murder, assault, and robbery have occurred; and prostitution, drug trafficking, and other social evils have continued to spread. All of these have seriously threatened the people's personal safety, property, and social stability and have impeded the smooth progress of reform, opening up, and economic development. Therefore, only by harshly striking out at crime can we create a sound political and social environment to enable the masses of people to live and work in peace and contentment, and ensure the smooth progress of reform, opening up, and economic development.

The crackdown campaign, an important policy decision made by the party Central Committee, wholly conforms with the actual condition in Tibet. The campaign is crucially important at a time when the people across the region are trying with full confidence to complete the Ninth Five-Year Plan and the long-term target for the year 2001. We may well say that success of the campaign is a prerequisite for maintaining a high degree of unity with the party Central Committee and the regional party committee; it is also a major issue for whether the people in Tibet can stand hand-in-hand with the people in other parts of the country in achieving economic prosperity.

Party committees and governments at all levels, as well as the people of the entire region, should be fully aware of the campaign's necessity, importance, and urgency. With a strong sense of political responsibility, they should adopt a positive approach in deepening the campaign in accordance with the regional party committee and government's arrangements, thereby maintaining Tibet's excellent situation characterized by political stability and peace and contentment of the people.

#### **PRC: Lhasa Mayor Predicts Rapid Economic Growth**

*OW2405121196 Beijing XINHUA in English  
0753 GMT 24 May 96*

[FBIS Transcribed Text] Lhasa, May 24 (XINHUA) — Tibet Autonomous Region's capital Lhasa will score rapid economic growth over the next 15 years, according to a city plan for economic and social development.

Lhasa Mayor Losang Jamcan has vowed to lead the 400,000 Lhasa residents in turning the wealth-generating plan into a reality.

During the 1996-2000 period Lhasa's gross domestic product [GDP] (the value of goods and services produced) will grow at an annual rate of 15 percent, in accordance with the plan adopted by the City People's Congress earlier this month.

The city's GDP is projected at one billion yuan in the year 2000 and its per-capita GDP will quadruple the 1980 figure.

In the year 2010, Lhasa's GDP will soar to 3.2 billion yuan and its per-capita GDP will double the 2000 figure.

Mayor Losang said that this year the city government will begin to pursue the policy of invigorating Lhasa by means of science and technology and opening up.

He said, "Over the next 15 years we will continue to strengthen agriculture and livestock breeding as the foundation of the economy, and speed up construction of transport, energy telecommunications facilities."

He added that the city will concentrate on expanding six pillar industries including mining, tourism, building materials and farm and animal by-product processing.

#### **PRC: Tibet To Open More Tourism Routes**

*OW2905115496 Beijing XINHUA in English  
1100 GMT 29 May 96*

[FBIS Transcribed Text] Lhasa, May 29 (XINHUA) — More tourist routes are to be opened in Tibet to boost the local tourism industry.

Three tourism routes in the Southwest China's Tibet Autonomous Region are the Qamdo County-Nagqu County line, a line from Basum Lake to a grand canyon to the south of the Yarlung Zangbo River and a circular route connecting Tingri County and Ngamring County and ending in Lhasa.

To enhance the cooperation between Tibet and northwest and other parts of southwest China, the region plans to open lines between Tibet and Yunnan province, and Qamdo-north Sichuan province, a route connecting

Qamdo with Yushu, a prefecture in Qinghai province, and a line starting from Wuhan and running through the Three Gorges and Chongqing to Lhasa.

Routes linking Lhasa with Xian and Dunhuang are also expected to be opened.

The region also has plans to establish five tourism zones centered on culture and historical relics, mountaineering and exploration, forest tours and drifting exploration, sight-seeing and visiting the habitats of wild animals respectively.

#### PRC: Official Urges More Study in Tibetology

OW2005162696 Beijing XINHUA in English  
1546 GMT 20 May 96

[FBIS Transcribed Text] Beijing, May 20 (XINHUA) — A top Chinese official has urged better research in Tibetology, in a move to serve the unification of the motherland and the unity of all China's ethnic nationalities.

Ngapoi Ngawang Jigme, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made the call at a forum marking the tenth anniversary of the China Tibetology Research Center.

The vice-chairman called on the Center to "refute the fallacy that 'China has destroyed Tibetan culture and trampled human rights in Tibet' by applying full and accurate data based on the latest scientific achievements."

Founded on May 20, 1986, the China Tibetology Research Center is a research group which concentrates on research into the Tibet Autonomous Region and other Tibetan-inhabited regions in the aspects of politics, economy, culture, history and religion.

The fundamental aim of the center is to facilitate the opening-up and modernization drive of Tibet and other Tibetan-inhabited areas, and serve the unification of the motherland and the unity of all Chinese ethnic nationalities.

Over the past ten years the Center has undertaken a series of key state research projects, including "Research into the Relationship between the Tibet Authorities and Chinese Central Governments Since the Yuan Dynasty" and "The Environment and Development of the Qinghai-Tibet Plateau".

The center's China Tibetology Publishing House has published 222 kinds of books, topping 930,000 copies.

#### PRC: Tibetology Center Said To Promote 'Reform and Opening Up'

OW2605230996 Beijing XINHUA in English  
1623 GMT 26 May 96

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — China enjoys exceptional advantages in the research of Tibetology — because it is the very country in which Tibetology originated.

Ngapoi Ngawang Jigme, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), made the remark at a recent forum marking the tenth anniversary of the China Tibetology Research Center.

The vice-chairman called on the center to "refute the fallacy that 'China has destroyed Tibetan culture and trampled human rights in Tibet', by applying full and accurate data and the latest scientific findings."

Doje Cedain, director of the China Tibetology Research Center, noted that "as one important member of the Chinese nation, Tibetan nationality has been living on the Qinghai-Tibet Plateau, in the southwestern part of China, for thousands and thousands of years."

"The Tibetan nationality and other Chinese nationalities have been learning from each other for thousands of years and jointly created the civilization of the Chinese nation," he said.

However, certain international anti-China forces and the Dalai Lama group have randomly distorted the history and the present condition of Tibet under the guise of Tibetology for quite a long time, in an aim to turn Tibet into a breakthrough point in their "splitting China" strategy.

Founded on May 20, 1986, the China Tibetology Research Center concentrates on researching the history, the present condition and the future of Tibetan nationality, in a move to serve the unification of the motherland and the unity of all China's ethnic nationalities.

"The fundamental aim of the center is to promote the reform and opening up drive, as well as the modernization process, of Tibet and other Tibetan-inhabited areas," the director said.

The past ten years have seen the center engaged in a series of key state research projects, including "Research into the Relationships between Tibet and the Central Governments Since the Yuan Dynasty" and "The Environment and Development of the Qinghai-Tibet Plateau".

A state-level publishing house, the center's China Tibetology Publishing House, has published 222 books,

most of which are about Tibet and the Tibetan nationality.

In June, 1995 when the 7th International Symposium on Tibetology was held in Austria, more than one hundred books published in recent years by the publishing house were exceptionally popular and all sold out before the end of the symposium.

### North Region

#### **PRC: Beijing Police Close 'Vice Establishments'**

*OW2305151596 Beijing ZHONGGUO XINWEN SHE in English 1003 GMT 23 May 96*

[FBIS Transcribed Text] 23 May (CNS) — In an anti-vice operation based on public complaints, constables based in the Chaoyang district under the Beijing police force cracked down 14 wicked "so-called" beauty parlours and arrested 27 suspected prostitutes and three gigolos last night.

During their raids, the police also seized from those vice establishments, which were all located on the same street, a certain quantity of contraceptives and used syringes.

Earlier on the police had shut down eight dirty sauna/massage houses and 10 beauty parlours as well as apprehended 154 alleged prostitutes and clients during the city's "Hit Hard" campaign against crime.

#### **PRC: Editorial on 'Strict Crackdown' on Crime**

*SK2605023296 Beijing BEIJING RIBAO in Chinese 30 Apr 96 p 1*

[Editorial: "Launch the 'Strict Crackdown' Struggle To Ensure the Stability of the Capital"]

[FBIS Translated Text] The activities to strictly crack down on serious criminal crimes and the unified action to greatly rectify public security and social order that were launched nationwide recently represent an important strategic arrangement of the party Central Committee and an urgent need in safeguarding public security and social stability. They have very important political significance in addressing the current conspicuous public security problems, in effectively dampening the arrogance of the criminals with serious offenses, in ensuring peace and contentment in people's life and work, and in making a good start for implementing the Ninth Five-Year Plan and the long-term target for the year 2010. We should resolutely follow the party Central Committee's overall arrangement and go all out to launch this struggle in a down-to-earth manner in close connection with Beijing's specific conditions.

Acquiring a full understanding of the necessity and importance of this "strict crackdown" struggle is an impor-

tant prerequisite for achieving success in the struggle. Party committees and governments at all levels as well as all relevant departments in the municipality should achieve unity in their understanding with the party Central Committee's policy decision. We should clearly understand that this nationwide "strict crackdown" struggle has a still greater special significance to the capital. Safeguarding the political and social stability of the capital is the consistent demand of the central authorities on Beijing's work. As Beijing is the "capital of the country" and the "showcase" of the reformed and open socialist China, its public security and social stability have a direct bearing on China's image in the world, and will play a decisive role in the stability of the country and the stable overall situation. For this reason, maintaining the stable social environment of the capital is our long-term and arduous political task, in which our efforts must never be slackened even to the slightest degree at any time. The current public security situation of Beijing, however, is still very incompatible with its status as the national capital, with the requirements of the central authorities, and with the people's expectations. In particular, serious criminal cases of homicide, robbery, and theft were on the rise recently, hooligans and evil forces committed crimes and ran amuck in defiance of the laws, and many serious cases that caused great danger and had a bad impact took place one after another. The masses lack the sense of security and have plenty of complaints. Therefore, launching this "strict crackdown" struggle is a necessary measure to comply with the popular desire, frighten criminals and solve the current conspicuous problems, and also an urgent demand in enabling the capital to fully perform its functions and provide good service. Whether party and government leaders at all levels attach importance to this struggle is an important criterion for judging whether they attach importance to politics and whether they have a sense of respect for the masses. We must conscientiously study and profoundly master the guidelines of the central instructions, fully understand Beijing's grim and complex political situation, proceed from the general task of reform, development, and stability, approach the "strict crackdown" struggle from the perspective of the state's long and enduring order and stability, enhance the sense of urgency and responsibility toward public security work, and implement all the targets for the "strict crackdown" struggle defined by the party Central Committee.

Strengthened leadership and meticulous organization are needed in launching the "strict crackdown" struggle. Party committees and governments at all levels in the municipality should resolutely exercise leadership and carry out this struggle in a planned and step-by-step manner in line with the party Central Committee's re-

quirements and arrangements. Leaders at all levels, top party and government leaders in particular, should take it as their responsibility to defend the capital and reassure the public, and organize the struggle meticulously with the spirit of a high degree of responsibility to the party and the masses. They should participate in the struggle personally, from formulation to specific implementation of plans, promptly discover and address the problems cropping up in the struggle, and see to it that the crucial public security problems that the masses are most dissatisfied at are accurately and relentlessly tackled and that tangible results are achieved. Strict leader responsibility system and department or unit responsibility system should be instituted with each level holding the responsibility for the next level, so that all the tasks for the "strict crackdown" struggle will be carried out at every level like the "vegetable basket project" and the "rice sack project" have been carried out. Principal party and government leaders will be held responsible if their localities, departments, or units have not carried out the struggle successfully and failed to notably change the chaotic public security.

The role of public security, procuratorial, and judicial departments as the major force should be fully developed when carrying out the "strict crackdown" struggle. Our public security, procuratorial, and judicial cadres and policemen are combat effective and have made contributions to previous important security work of the capital. The people across the municipality have placed high hopes on this contingent working on the foremost front of the struggle. With heavy responsibilities on their shoulder, the large number of public security, procuratorial, and judicial cadres and policemen should all the more uplift their spirit, plunge themselves into the struggle with a combat attitude, adopt every means to crack major and serious cases, especially evil cases, and seize the criminals at large. The crackdown force should be increased to resolutely, strictly, and promptly punish according to the law the criminals who have seriously endangered public security, to resolutely crack down according to the law on all sabotaging activities of hostile forces in and outside the border, and to resolutely correct the phenomena in which laws are not abided by or strictly enforces, law breaches are not investigated, and problems are not solved due to passing the buck and procrastination. Through this "strict crackdown" struggle, we should upgrade the overall combat capacity and law enforcement level of our contingent of public security, procuratorial, and judicial personnel as well as the political and professional quality of the large number of cadres and policemen.

To launch the "strict crackdown" struggle, we should firmly rely on the masses. We should adhere to the

party's mass line, extensively and deeply mobilize the masses, and encourage forces from all fields to participate in the struggle and expose and report criminal elements. We should greatly commend the model persons and advanced deeds reflecting the courage to fight criminal activities. Meanwhile, we should pay close attention to and prudently treat and handle the contradictions among the people arising in the new situation, persist in the method of persuasion and education to tackle specific problems, and strive to resolve all social contradictions at the grass-roots level and in the budding stage. We should unwaveringly promote the comprehensive management of public security, continue to improve and strengthen grass-roots security organizations and grass-roots organizations of political power, exert particular efforts to change the weak and lax situation in some local grass-roots organizations, and give full play to the role of various mass crime prevention and tackling organizations in safeguarding public security. With a solid foundation laid, a situation will be created in which the entire society makes concerted efforts in public security work, and an "impregnable fortress" will be truly built to fundamentally guarantee the stability of the capital.

**PRC: Commentator's Article Views Crackdown on Crime**

*SK2905121896 Hohhot NEIMENGGU RIBAO  
in Chinese 10 May 96 p 1*

[Unidentified commentator's article: "Pay Attention To Cracking Down on Criminal Offenders and Promote Social Stability"]

[FBIS Translated Text] Since mid-April, public security organs at all levels in the region have concentrated efforts on launching the campaign of cracking down on serious criminal offenses in line with the instructions of the CPC Central Committee. Now, initial results have already been achieved.

Launching the campaign of "cracking down on criminal offenses" constitutes a major means to safeguard social order, an important aspect of the building of the socialist legal system, and a vital political guarantee for economic development and social progress. Achieving success in this campaign is a major issue that has a bearing on the living and working environment of the people and even on the stability of the political power of the state. When viewed from the regional situation, the social and political situation is stable, and the situation in public security is also stable in general. However, public security problems and criminal cases have increased obviously; public security in some localities are not good and the masses strongly complain

about it. Therefore, launching the campaign of "cracking down on serious criminal offenses" is essential and conforms to the common aspiration of the party and the people. The third (enlarged) plenary session of the sixth regional party committee already defined the "two enhancement" target, the Ninth Five-Year Plan, and the Long-Range Objectives to the Year 2010. To most extensively mobilize the people of all nationalities in the region to work hard for the fulfillment of these targets, it is necessary to create a stable social environment. Party and government leaders at all levels as well as the vast numbers of public security cadres and policemen should approach the significance of the crackdown in the perspective of correctly handling the relations between reform, development, and stability and should set an example in implementing with their own actions the relevant guidelines of the central and regional authorities.

As mentioned by the central authorities, "whether or not a leader pays attention to the crackdown is an expression of whether he has the mass viewpoint and stresses on politics." Leaders, top leaders in particular, of party committees and government at all levels should profoundly comprehend the great significance of the policy decisions made by the central authorities, should bring their ideas into line with the guidelines of the instructions of the central authorities, should analyze and approach the public security situation and the importance and urgency of the "crackdown" of their own localities and departments from the high plane of stressing on politics, and should truly assume the responsibility of safeguarding the security of their own localities and departments. In addition, leaders should directly guide and arrange for the work on cracking down on crimes and meticulously organize the crackdown in order to deal a harsh blow to criminal offenders and rapidly change the poor public security situation in some localities.

To deal a steady, accurate, and hard blow to serious criminal offenders, we must combine political and government leaders with public security organs and the broad masses of the people. Practice shows that the people are the iron bastion to safeguard social order and stability. So long as we further mobilize and organize the people to struggle against criminal offenders, there will be no place for criminals to hide and there will be no chance to be exploited by criminals. Whether or not party and government leaders and public security organs can fully mobilize the initiative of the broad masses of the people in waging a struggle against criminal offenders represents a major criterion to judge their official performances. At the same time, the broad masses of the people should also consider the crackdown on crimi-

nal offenses as the job of their own. It should be noted that social order and social environment have a direct bearing on the personal interest of everybody. If everybody takes a part in crackdown, criminal offenders will be the object of universal condemnation, just like the rats scurrying across the street. On the contrary, should we let criminals drift as if they do not affect us personally, and should we even tolerate and accommodate criminals, we ourselves will be eventually endangered. Everybody is a builder in creating a stable social order and environment. This has already been proven by positive and negative experiences of many localities.

Launching the campaign of cracking down on criminal offenses is an important measure for resolving public security problems, and that all levels of leaders and all public security organs must try their best to eliminate crimes. However, because public security work is a systems engineering that touches upon the work in many fields, we must make persistent and unremitting efforts to grasp it. Departments at all levels and all localities should make great efforts to tackle public security problems in a comprehensive way in line with their respective realities, particularly in the light of the weak links in their public security work. Through the emergence of a case and a criminal offender, we should sum up experiences, draw a lesson from them, plug loopholes, perfect systems, and then always sound a warning to maintain long-term social order to create a fine social environment for reform, opening up, and the people's daily lives and to make the broad masses of the people free of worries at work.

**PRC: Eight Criminals Put to Death in Beijing**  
**SK2905115796 Beijing BEIJING RIBAO in Chinese**  
**11 May 96 p 1**

[FBIS Translated Excerpt] According to the order on executing the death penalty issued by the president of the municipal higher people's court, the first municipal intermediate people's court on 10 May put to death eight criminal offenders guilty of intentional homicide, hooliganism, intentional injury, robbery, and theft. [passage omitted]

**PRC: Article Views Impoverished Beijing Residents**  
**OW2205160196 Beijing ZHONGGUO XINWEN SHE**  
**in English 1413 GMT 22 May 96**

[FBIS Transcribed Text] May 22 (CNS) — Incomplete statistics reveal that 470,000 urban workers in the Beijing Municipality received a minimum salary of 230 yuan per month while income earned by 300,000 others was less than the minimum wage.

With a structural change in the municipality and market competition, workers on the coal, textiles and power industries are suffering economic hardship.

Statistics indicate that per capita income earned annually by members of low-income households was 2,764.1 yuan and living expenses were 2,835.2 yuan in 1994. It represented that each member of the low-income households suffered from a shortage of nearly six yuan on average per month in meeting their daily living expense.

As the poverty line was not clear and different statistical practices were employed by various departments, there are no authoritative figures to reflect true poverty situation in Beijing.

**PRC: Inner Mongolia Secretary, Chairman on Crackdown**

*SK2905133696 Hohhot NEIMENGGU RIBAO  
in Chinese 29 Apr 96 p 1*

[FBIS Translated Text] The regional party committee and the government recently held a teleconference to arrange for the work of severely cracking down on serious criminal offenses.

Liu Mingzu, secretary of the regional party committee, presided over the conference; Wu Liji, chairman of the region, delivered an important speech; and Yun Bulong, deputy secretary of the regional party committee, made specific arrangements for the "crackdown." Attending the conference were Wan Jisheng and Wang Fengqi; responsible comrades of the general offices of the regional party committee and the government; and responsible comrades of the regional political and legal commission, the regional propaganda department, and the regional public security, procuratorial, and court departments. Also attending were responsible persons of various leagues, cities, counties, and banners who are in charge of public security work.

It is learned that to coordinate the forthcoming nationwide crackdown on serious criminal offenses, the region is about to launch a crackdown with focus on "cracking major cases, clearing up firearms, banning narcotics, and grasping prevention." Major targets of the crackdown are homicide, robbers, rapists, major thefts, criminals on the run, criminal gangs, firearms robbers, criminals who committed crimes by holding guns, narcotics manufacturers and sellers, criminals abducting and trading women and children, and criminal gangs of the underworld.

Wu Liji stressed in his speech: Promptly launching the campaign of "cracking down on serious criminal offenses" is an urgent demand for profoundly implement-

ing the guidelines of the fifth plenary session of the 14th CPC Central Committee and for deepening reform, expanding opening up, and accelerating development. It is also an urgent demand for safeguarding social order and social stability, is a major content of emphasizing politics, and is in agreement with the common aspiration of the party and the people. Leaders at all levels should fully understand the great political significance of the current "crackdown." Whether or not one pays attention to this crackdown is an expression whether or not he has the mass viewpoint and stress on politics. All levels of party committees and governments and, in particular, all levels of leading cadres should acquire a deep understanding of the great political significance of the policy decisions of the central authorities; bring their ideas and understanding into line with the guidelines of the instructions of the central authorities; fully understand, in the perspective of emphasizing politics, the seriousness and complexity of the current public security situation as well as the importance and urgency of the current "crackdown;" and successfully organize the current "crackdown" with the attitude of being responsible for the party and for the people. Wu Liji called on top party and government leaders at all levels to personally organize, command, and supervise the crackdown and discover and tackle in a timely manner the problems existing in the current crackdown. We should extensively mobilize the masses to take an active part in the "crackdown" and should concentrate superior forces on promptly investigating and cracking a large number of major cases, seizing a large number of escaped criminals, smashing a large number of criminal gangs, and severely punishing a large number of principal criminals. The criminals guilty of the most heinous crimes and the criminals who must be executed to assuage public indignation must be punished and dealt with according to the laws so that we can eliminate the arrogance of serious criminal offenders and fully manifest the power of the people's democratic dictatorship.

The regional public security organ has urged the major criminals on the run and other law breakers to surrender themselves to the police as early as possible and to admit their guilt and submit themselves to the law. Otherwise, they will be severely punished without any leniency. At the same time, the regional public security organ reminded the vast numbers of the masses to actively expose the law breakers and criminals around them.

## REGIONAL AFFAIRS

**PRC: Tianjin Mayor Mobilizes Crackdown on Crimes**

SK3005015096 *Tianjin TIANJIN RIBAO* in Chinese  
7 May 96 pp 1, 2

[FBIS Translated Text] The municipal rally to strictly crack down on serious criminal offenders was held at the people's gymnasium on the morning of 6 May. Mayor Zhang Lichang attended the rally and made a speech. He emphasized that we should fully realize the necessity and importance of the current "crackdown" and should strengthen leadership and mobilize the whole party and all the forces in society to make the current "crackdown" a success. Public security departments should strengthen their blows to crimes. The "crackdown" should be organically combined with all measures of the comprehensive management of public security and social order. All the people in the municipality should make concerted efforts to achieve fruitful results and attain the anticipated purpose in the current "crackdown" and then to create an even better and more stable social environment for Tianjin's reform, opening up, economic development, and the people's livelihood.

Attending the rally were municipal leaders Jin Renxie, Song Pingshun, Luo Yuanpeng, Lu Xuezheng, Lu Huan-sheng, Zhang Jinxiu, Zhang Bofeng, Zhang Dequan, and Zhang Guanwen.

This rally is the first municipal open trial held since the commencement of the "crackdown" in line with the guidelines of the instructions of the central authorities and with the unified arrangement of the municipal party committee and government. At the rally, the first and second municipal intermediate people's courts openly tried a number of criminals guilty of homicide, robbery, rape, who seriously jeopardized social order and public security. Of these, criminals who were guilty of the most heinous crimes, whose impact was extremely bad, and who had to be put to death to assuage public indignation, were sentenced to death and executed immediately. This open trial has fully embodied the strong power of the people's democratic dictatorship, has clearly indicated the determination of the municipal party committee and government to deal stern blows to serious criminal offenses, has dealt an effective blow to the arrogance of serious criminal offenders, has enhanced the morale of the people, and has marked a good beginning of the "crackdown."

Zhang Lichang pointed out: We should fully understand the necessity and importance of the "crackdown." At present, Tianjin's situation is very good. The economy has developed rapidly, society has progressed comprehensively, and social order is among the best in the

country. However, problems affecting social stability, and, in particular, the trends of serious criminal offenses that threaten the people's sense of security and jeopardize social order, remain. We must pay high attention to them. Leading cadres at all levels must remain sober-minded and be fully aware of the grim situation in the municipality's social order and the necessity and importance of the crackdown. First, they should, in the perspective of politics, have a deep understanding of the fact that the resolution of prominent public security problems is urgently needed to make the people live in peace and work in contentment, to promote economic development and social progress, to accelerate the building of the socialist spiritual civilization, and to safeguard the stability of society. Success or failure in the current crackdown has a direct bearing on the image and authority of the party and the government. Second, they should use the mass viewpoint to profoundly understand that the issues on social order are closely related to personal matters of interest for the masses. To improve the people's living standards and quality of life, an important thing is to provide the people with a sense of security and a stable environment in which to study, work, and live. The success in the current "crackdown" is the direct embodiment of safeguarding of the people's interests and of being responsible for the people. Third, to accelerate economic development and social progress, it is necessary to have a fine and stable social environment. The success in the current "crackdown" is an important guarantee for smoothly promoting Tianjin's reform, opening up, and economic construction and for fulfilling the Ninth Five-Year Plan and the Long-Range Objectives to the Year 2010.

Zhang Lichang stressed: We should strengthen leadership and mobilize all the forces in the party and society to achieve success in the current "crackdown" through joint efforts. This crackdown should be carried out under the direct leadership of the principal party and government responsible comrades at all levels. Meanwhile, meticulous organization should be conducted and momentum should be built up in order to achieve results in the crackdown as soon as possible. Leading comrades at all levels, top leaders of party committees and governments in particular, must personally conduct mobilization and arrangement in line with the disposition of the central and municipal party committees and with the spirit of being highly responsible for the people. They should truly perform their duties well and discover and resolve in a timely manner the problems cropping in the process of "crackdown" in an effort to ensure and to promote the constant deepening of the crackdown. The responsibility system should be carried out at all levels, with each level assuming responsibility for work at the next lower level. Towards localities and units whose

public security situation has been bad for a long time, party committees and governments as well as responsible departments should organize forces to conduct rectification on a priority basis and a deadline should be fixed to change their situation.

Zhang Lichang demanded: Public security, procuratorial, and judicial departments should make an all-out effort to crack down on serious criminal offenses. During the "crackdown," our efforts should be concentrated on cracking a number of major and high-profile cases and arresting a number of escaped convicts; on dealing a relentless blow to criminal gangs and the evil forces of hooligans of the nature of the underworld; on dealing stern blows to and strictly preventing the robbery targeted at financial institutions and urban residential districts; on rectifying a group of areas and road sections where public security is bad; on strictly investigating and punishing illegal and criminal offenses and ugly social behaviors such as manufacturing, trafficking, and addicting narcotics, indulging in prostitution and visiting whores, manufacturing and selling obscene articles, and organizing gambling parties; on vigorously taking over firearms, ammunition, explosives, and the cutting tools under control; and on dealing severe blows to illegal sales of firearms, in order to resolutely eliminate the arrogance of criminals. Public security, procuratorial, and judicial departments should closely coordinate with each other, fight in unity, reach unanimity in understanding and actions, and enhance the overall strength of the crackdown in a bid to ensure the success in the current crackdown. These departments should accelerate the handling of cases, improve the quality of case handling, have a correct mastery of policies, and handle affairs in strict accordance with laws. Those who should be arrested, prosecuted, and sentenced to imprisonment should be done so resolutely; and those who should be given death penalty should be put to death without leniency. So, we can manifest the principle of punishing criminals as promptly and severely as possible. Those who have committed crimes again after being released upon completion of their sentence should be punished as severely as possible. We should stick to the strict and civilized enforcement of laws and pay attention to implementing the policy of combining severe punishment with lenient treatment in a bid to disintegrate criminals. Government at all levels should provide an essential material guarantee for the current "crackdown." Propaganda departments should increase the dynamics of propaganda and build up a strong momentum of public opinion to frighten criminals and inspire the masses.

Zhang Lichang stressed: We should organically combine the "crackdown" with all measures of the comprehensive management of social order. The comprehen-

sive management of social order is the fundamental way to tackle the problems with regard to social order. All localities and all departments should take advantage of the current "crackdown" to implement all measures on the comprehensive management of social order in order to deepen and consolidate the results achieved in the "crackdown." We should further strengthen the basic work, build up party organizations at the grass-roots level, intensify the building of political power, vigorously build up such grass-roots organizations as public security sub-stations, people's tribunals, and public security maintenance and mediation units with a view to giving full play to the role of "the first line of defense." We should extensively mobilize the masses to take an active part in this "crackdown" in order to provide no places for criminals to hide themselves and to expose and strike criminals in a timely manner. We should go all out to commend and disseminate the heroic deeds of cadres and policemen of public security, procuratorial, and judicial organizations who fear neither hardships nor death, dare to struggle against criminals, and are ready to protect the people. We should also arouse and protect the people's enthusiasm in struggling against law breakers and criminals. We should also give rise to a good social atmosphere in which all the people are concerned with social order, make concerted efforts to resolve public security problems, and go all out to maintain social order so that we can make contribution to improving and stabilizing social order throughout the municipality.

#### PRC: Criminals Executed by Shooting in Tianjin

SK2905133096 *Tianjin TIANJIN RIBAO* in Chinese  
7 May 96 pp 1, 2

[FBIS Translated Excerpt] On the morning of 6 May, at the municipal rally to openly try the criminal offenders who gravely jeopardized public security, the first and second municipal intermediate people's courts pronounced the judgment to some criminal offenders. These two courts respectively pronounced the final judgment of condemning criminals Cheng Yuanxin, Liu Zhenyuan, Ma Chengwen, Yang Liming, Xiao Kangjie, Li Jun, Liu Fenghua, Zhao Junbin, Chen Liming, Zhang Xueming to death, (death with the sentence suspended), and life imprisonment. According to the order on executing the death penalty transmitted by the municipal higher people's court, Cheng Yuanxin, who was sentenced to death with the sentence executed immediately, and some other offenders were escorted to the execution ground and executed by shooting. [passage omitted]

**Northeast Region**

**PRC: Heilongjiang Releases Five Prisoners for Whistleblowing**

**SK2205052796 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 21 May 96**

[FBIS Translated Excerpt] The reeducation-through-labor reformatories of Heilongjiang Province and Harbin city ceremoniously held a joint rally at the (Changlingzi) education-through-labor reformatory of Harbin city on the morning of 21 May. They called on the personnel serving the reeducation-through-labor sentences to positively confess their remaining crimes and to inform against criminal clues. At the rally, five such persons were released before the due date.

The rally mitigated the penalties of 10 such persons, and relieved five persons of their reeducation-through-labor sentences and set them free on the spot. A certain Li, who has served the reeducation-through-labor sentence, reported to the authorities that somebody secretly possessed a hunting rifle, a pistol, and a knife. So, the criminal offender was arrested according to the report. Through examinations, this criminal offender was found having committed eight criminal cases together with others. In reward of this, the person called Li was relieved of the reeducation-through-labor sentence and was set free on the spot. [passage omitted]

Through the struggle against serious criminals, the reeducation-through-labor reformatories at various levels across the province have positively launched a political offensive. The persons serving the reeducation-through-labor sentences frankly confessed remaining crimes related to 151 cases, exposed clues for 146 criminal cases, and simultaneously punished some undisciplined criminals, thus frightening and educating the criminals.

**PRC: Heilongjiang Achieves Good Results in Crackdown Struggle**

**SK2905132896 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 27 May 96**

[FBIS Translated Text] Heilongjiang Province achieved good results in the crackdown struggle during a designated period. Public security, procuratorial and judicial departments across the province have given full play to their functional role, adjusted the police force, rapidly launched the struggle, and universally conducted short-term, quick, and effective centralized and united action. Public security organs have maintained close cooperation with all departments, fought in a coordinated manner, and given impetus to punishing criminals.

In April, the province as a whole arrested more than 2,000 criminals. Procuratorial organs gave impetus to

approving the arrest and prosecution of criminals. From 4 to 14 May, they approved to arrest more than 700 criminals, representing an increase of 44.8 percent over the previous 10 days. Courts have upheld the principle of dealing heavy and quick blows to criminals in line with the law, quickened the tempo of work, tried and pronounced judgment for more than 600 criminal cases from 25 April to 10 May, meted out sentences for more than 500 criminals. In order to eliminate hidden public security perils to the greatest extent and to effectively control and reduce the number of major and appalling cases, from 6 to 16 May, Heilongjiang Province launched a seven-day centralized and unified operation to capture unauthorized firearms, tools and knives, destroyed and captured more than 9,000 authorized firearms, and more than 21,000 unauthorized tools and knives.

In order to effectively frighten criminals, the provincial court, the provincial procuratorate, the provincial public security department, and the provincial judicial department jointly issued on 6 May a public notice to order criminals to surrender themselves within a certain time. Since the promulgation of this notice, people across the province have informed and provided more than 5,000 leads on criminals, and the criminals held in detention have provided more than 1,000 leads. Nearly 100 criminals voluntarily surrendered themselves to public security organs.

**PRC: Results of Jilin's Crackdown on Crime Noted**

**SK2905133996 Changchun JILIN RIBAO in Chinese 3 May 96 p 1**

[By Zheng Wanyi (6774 8001 0001) "Jilin Province Has Achieved Noticeable Results in the First Battle To Struggle Against Serious Crimes"]

[FBIS Translated Text] During the centralized operations against serious crimes, public security organs in Jilin Province started the crackdown struggle with the capturing of unauthorized firearms, cracking down on major cases and pursuing criminals on the run as the focus. Party committees and governments at all levels paid great attention to this work; public security organs made well-knit plans and organized the work carefully; and the people participating in the struggle feared no fatigue and fought continuously.

From 25 to 27 April, the province as a whole dispatched 88,729 public security policemen, security maintenance cadres, and security activists and checked 49,761 major places. Through three days and nights of hard work, the province succeeded in cracking down on 1,087 criminal cases of various descriptions, of which, 318 were major cases and 50 were appalling cases; captured

1,179 law breakers and criminals, of whom, 426 were escaped criminals, 68 were criminals on the run, and 330 were active criminals, seized 1,850 illegal firearms and captured stolen money or goods valued at 1.02 million yuan.

Through the comprehensive implementation of policies, a number of major escaped criminals were captured. Naquan public security subbureau in Changchun city captured Han Shijie, a major escaped criminal who ganged up with other persons to injure a deputy secretary general of Changchun city government with a gun. Jilin city public security bureau captured the provincial public security department's most wanted escaped criminal Pang Hua and the escaped criminal Wang Fenglin who was guilty of robbery. Songyan city public security bureau established a detachment to pursue and arrest criminals and captured the most wanted escaped criminal Tian Yankun who was guilty of homicide and robbery in February of this year after tracking him for a long way.

Through deeply ferreting out criminals and conducting meticulous investigation, a number of criminal cliques which did all kinds of evil were smashed. Changyi District public security subbureau in Jilin city adopted effective measures to smash a big criminal clique headed by Liu Chunyang and Yang Chao and another person. Taobei public security subbureau in Baicheng city also smashed a criminal clique engaged in stealing large animals. Jiaobei city public security bureau smashed a criminal clique which induced women to engage in prostitution.

A number of active criminals were captured through rapid attack. Dongfeng County public security bureau captured the active criminal Ren Jie who just escaped from the scene of the crime. Jiangyuan County public security bureau launched a rapid attack and promptly stopped an explosion case which was about to occur, thus avoiding injuries and deaths. The Shulan city public security bureau made meticulous plans and rapidly cracked a case on kidnapping and hostage killing and extorting a large amount of cash and captured Zhao Baoxiang who was involved in the case. Yanji city public security bureau only took 13 hours to capture criminal Piao Yongshan who killed his wife and mutilated her body.

**PRC: Fourteen Criminals Executed in Changchun, Jilin, Baishan**

SK3005053596 *Changchun JILIN RIBAO* in Chinese  
8 May 96 p 1

[By Guo Chunyu (6753 2504 7183) and reporter Li Yong (2621 0516)]

[FBIS Translated Excerpt] On 26 April, cities of Changchun and Jilin respectively held rallies to openly pronounce 10 serious cases of robbery, murder, and theft, related to 13 serious criminal offenders, including Zhang Jingdong and Li Guangming. The rallies pronounced a death penalty on 13 criminals and deprived them of their lifelong political rights. After the rallies, they were escorted to the execution grounds and executed by shooting. [passage omitted]

On 7 May, the Baishan city intermediate people's court held a rally to openly pass the sentence on Wang Xianjun who stole guns and indulged himself in looting with the guns. Through the first trial and also with the approval of the provincial higher people's court, the Baishan city intermediate people's court sentenced Wang Xianjun to death and deprived him of his lifelong political rights. He was escorted to the execution ground and was executed by shooting.

**PRC: Jilin Issues Anti-Drug Circular**

SK3005014896 *Changchun JILIN RIBAO* in Chinese  
4 May 96 p 1

[FBIS Translated Text] The provincial anti-drug work leading group issued a circular on 30 April to work out plans for launching centralized operations against drug-related crimes.

The circular calls on public security, procuratorial and judicial organs across the province to uphold the principle of meting out heavy and quick punishment for criminals in line with law, rapidly crack down on a batch of major and appalling smuggling and drug manufacturing and selling cases, and punish a number of drug traders. It calls for strengthening the work of forcing people to break the drug habit in line with the law and to force each and every drug addict to quit taking drugs, adding that people who take drugs again after they have been forced to break the addiction should be sent to reformatories where they can gain help in overcoming addiction. The circular states that it is necessary to vigorously conduct the struggle against the planting of drug-related plants in an effort to eliminate drug abuse, adding that during spring sowing, it is necessary to strictly prevent the sowing of opium poppy seeds and to organize unified operations against drug abuse in July and August. Efforts should

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be made to consolidate and rectify the markets for selling unaesthetic and related medicines and prevent such medicines from entering illegal channels, to give impetus to propaganda and to expand social effect.

In conclusion, the circular stresses: Governments at all levels should pay great attention to this work and should realistically strengthen leadership; and all relevant departments should carefully draw up plans, strengthen measures, maintain close coordination, fight together and guarantee actual results in the "crackdown" campaign.

### **Northwest Region**

#### **PRC: Gansu Secretary, Governor at Crackdown on Crime Meeting**

**SK2605024496 Lanzhou GANSU RIBAO in Chinese  
30 Apr 96 p 1**

[FBIS Translated Excerpt] The provincial party committee held a standing committee meeting on 25 April to study the guidelines of the party Central Committee's series of important instructions on safeguarding public security and to arrange the struggle to strictly crack down on crime to be carried out provincewide. Yan Haiwang, secretary of the provincial party committee, emphasized at the meeting: With a sense of political responsibility featuring a high degree of responsibility to the party and the people, top party and government leaders should greatly strengthen leadership over the endeavor to safeguard public security and maintain social stability. They should fully understand the importance of the struggle and fulfill all the tasks for public security and social stability like they have done for the "vegetable basket project" and the "rice sack project." They should assume the overall responsibility for public security and stability.

After the party Central Committee made a series of important decisions on launching the struggle to strictly crack down on crime and on safeguarding social stability, the provincial party committee and government made meticulous plans and arrangements and conscientiously implemented them. Yan Haiwang, secretary of the provincial party committee, called two standing committee meetings on 18 and 25 April to conscientiously study the party Central Committee's important instructions. At the 25 April meeting, standing committee members also heard a report by a comrade in charge from the provincial public security department on opinions on launching the struggle. Yan Haiwang, secretary of the provincial party committee, and Zhang Wule, deputy secretary of the provincial party committee and governor, gave important speeches at the meeting. Lu Kejian, chairman of the provincial people's congress standing committee; Shen Xiaozeng, chairman of

the provincial committee of the Chinese People's Political Consultative Conference; Luosanglingzhiduojie, vice governor; and comrades in charge from the Gansu Provincial armed police force, provincial public security, procuratorial, and judicial departments, and provincial supervision department, attended as observers. Yan Haiwang, secretary of the provincial party committee, came up with specific demands on implementation of the party Central Committee's decisions and on the provincewide struggle to strictly crack down on crime. He urged: Party committees and governments at all levels should unify their thinking and enhance the understanding of the importance to launch the strict crackdown struggle. We should take the struggle as an issue concerning whether we have the sense of respect for the masses and whether we stress politics to understand its important significance. We should work out plans comprehensively, organize meticulously, and pay close attention to implementation. He emphasized: All localities should give guidance according to their specific conditions in order to achieve success in the struggle. We should institute the system for top party and government leaders to hold responsibility, exercise leadership directly, and map out plans personally. Public security, procuratorial, and judicial departments should fully perform their functions and role, and all relevant departments should work in close coordination. With all quarters of society making concerted efforts, a strong momentum for annihilating criminals can be created. Zhang Wule, deputy secretary of the provincial party committee and governor, pointed out: Leaders at all levels should acquire a comprehensive and correct picture of Gansu's public security and guard against unrealistic optimism. We should create a momentum for the struggle, but we should all the more achieve tangible results and quickly change the poor public security situation in some localities. He also urged efforts to train and improve the contingent of public security, procuratorial, and judicial personnel during the struggle. He urged governments at all levels to guarantee the supplies of financial and material resources needed in the struggle, especially the funds for handling cases. [passage omitted]

#### **PRC: Gansu Achieves Results in Crime Crack Down**

**SK2905133296 Lanzhou GANSU RIBAO in Chinese  
8 May 96 p 1**

[FBIS Translated Excerpt] The province has achieved initial results in the concentrative campaign of "cracking down on serious criminal offenses for 100 days." According to incomplete statistics, from 20 April to 5 May, the province cracked a total of 1,326 criminal cases of various types, of which, 494 were major and

high-profile cases. In addition, the province also seized 2,151 suspects of crimes; captured a number of escaped criminals; smashed a number of criminal rings; took over a large number of firearms, ammunition, cutting tools under control, and narcotics; captured 317,500 yuan of illicit money and 1.981 million yuan worth's illicit property; sealed up and banned according to the law 541 cabarets, electronics game rooms, and barber shops; and conducted rectification at 78 key areas and 56 key road sections.

During the "crackdown," top party and government leaders of all prefectures, autonomous prefectures, and cities in the province have personally commanded the crackdown and given prominence to investigating and cracking major and high-profile cases, thus making the "crackdown" full of vigor and sound. From 0000 on 5 May to 2400 on 7 May, Lanzhou, the capital city of the province, organized more than 10,000 public security forces, with public security militiamen as the mainstay, to ferret out, track down, and arrest criminal offenders in a concentrative manner. Yan Haiwang, secretary of the provincial party committee; Yang Zhenjie, deputy secretary of the provincial party committee; Lu Hao, standing committee member of the provincial party committee and secretary of the Lanzhou City Party Committee; and Luosanglingzhiduojie, vice governor of the province, went to the commanding center of the Lanzhou city public security bureau to personally supervise and command the crackdown. In the first day alone, 179 criminal cases were cracked, of which 37 were major ones, and 17 criminal gangs were ferreted out. [passage omitted]

#### PRC: Eleven Criminals Sentenced to Death in Shaanxi

SK2905104596 Xian Shaanxi People's Radio Network in Mandarin 0010 GMT 28 May 96

[FBIS Translated Text] Hanzhong Prefecture intermediate people's court, Hanzhong city people's court, and Nanzheng, Mianzian, Chenggu and Yanxian County people's courts, respectively, sentenced a number of criminals on 27 May. Among them, 11 criminals who were guilty of the most heinous crimes were sentenced to death.

(Xu Zhongjie) and (Li Yong), peasants of (Yuxian) town, ganged up with other criminals to waylay the people and to violently rape young women on several occasions. They were sentenced to death and deprived of political right for life.

(Meng Heng), a young man of Henan origin who was accused of theft and had been sentenced to reform-through-labor for two years, colluded with other three

criminals to rape young women and to rob people or extort money from them with a knife on the streets in Hanzhong city and near the railway station on many occasions. He was also sentenced to death.

#### PRC: Meeting Sums Up Xinjiang Crackdown on Crime, Separatism

OW3005062196 Urumqi Xinjiang Television Network in Mandarin 1330 GMT 28 May 96

[Announcer-read report over video; from the "Xinjiang News" program]

[FBIS Translated Text] Consolidating successes in cracking down on crimes, various localities in Xinjiang have continuously deepened the crackdown campaign.

Urumqi City recently held a mobilization meeting to sum up periodic achievements in the crackdown. The meeting called for strengthening leadership over the campaign, intensifying efforts to crack down on crime, and promoting the campaign in depth to win a complete victory in the 100-day campaign.

Since the 100-day crackdown campaign was launched in late April, all public security, judicial, and procuratorial departments of the city have brought into play their leading role in cracking major cases that had created strong repercussions, in dismantling a number of hardcore criminal gangs and criminal offenders, and in arresting criminals on the run, thereby scoring significant victories in cracking down on violent crimes, terrorism, and national separatism.

The meeting called on party and government organizations at all levels to further strengthen the organizational leadership over the campaign. While continuing to strike at violent crimes, terrorism, murder, and robbery, a special effort should be made to crack down on drug trafficking, prostitution, and theft. In localities and units experiencing chaos in public order, efforts should be stepped up to rectify the situation and to deal severe blows at national separatists' sabotage activities and illegal religious activities in order to consolidate successes of the campaign and to promote it in depth. [video shows shots of about 200 people in both military and civilian clothes attending a meeting and an unidentified person making a speech]

Recently the Miquan County public security bureau uncovered a major criminal gang, and seized three indigenously crafted guns, 10 hunting guns, 285 kg dynamites, and 3,657 detonators, thereby curbing rampant crime in the county. [video shows confiscated weapons]

**PRC: Commentary Hails Xinjiang's Crime Crackdown**

*OW3005090596 Urumqi XINJIANG RIBAO  
in Chinese 15 May 96 p 1*

[**"Short" commentary: "We Should by No Means Be Softhearted in the 'Crackdown' on Crime"**]

[FBIS Translated Text] The Urumqi City Intermediate People's Court has held a meeting to pronounce judgment, after which 10 serious criminals were executed by shooting. People clapped their hands in cheer.

In recent years, criminals have run rampant committing murder, theft, arson, rape, and violent terrorist activities. They have disrupted public order and caused strong public resentment. The broad masses of people eagerly hope that state organs will strike hard at them and deflate their arrogance so as to safeguard social stability.

The fact that the Urumqi City Intermediate People's Court meted out stiff and swift punishment to a number of criminals shows that Urumqi City is intensifying the "crackdown" on crime, which is a matter of concern to people of all ethnic groups. It also demonstrates the determination of our party and government to strike hard at serious crimes and to vigorously improve public order. The only way out for serious criminals is to frankly confess their crimes to the government; otherwise, they will meet with a bad end.

**PRC: Report Notes Crime Crackdown in Xinjiang Prefectures**

*OW1405080696 Urumqi Xinjiang Television Network  
in Mandarin 1330 GMT 11 May 96*

[Announcer-read report over video; from the "Xinjiang News" program]

[FBIS Translated Text] Following is a roundup of results in the drive to crack down on crimes in various localities in Xinjiang:

In cracking down on crimes, Kizilsu Kirgiz Autonomous Prefecture recently unified police forces and launched a thorough search of and crackdown on lawbreakers in theft, robbery, and prostitution cases throughout the prefecture, thereby dealing a powerful blow to criminals. The public security organs have solved various criminal cases, including major cases; seized and punished criminal gangs and individuals; and confiscated a large amount of stolen money and goods. The crackdown is continuing. [video shows a motorcade made up of police cars entering a compound; five criminals standing in front of an unidentified building; and confiscated guns, bullets, and radio equipment]

Turpan Prefecture has scored an initial victory in the drive to clamp down on crime. The prefecture has so far solved various criminal cases, including serious cases; arrested and punished a number of criminal gangs; and confiscated a large amount of stolen money and goods. Paying keen attention to cracking down on crime, the Turpan Prefecture party committee and administrative commission, as well as their functioning departments, have established a special crime crackdown leading group whose task is to coordinate the activities of public security, judicial, and procuratorial departments and to actively mobilize the masses, thereby forming a dragnet that combines the masses with professional people, depriving criminals of places to hide and effectively curbing the spread of crimes. [video shows police searching houses and taking criminals away in police cars]

In conjunction with the drive to crack down on crimes, the Jimsar County court held speedy trials in a number of criminal cases, and meted out due penalties to criminals. Taking concerted action, the county's public security, procuratorial, and judicial departments coordinated with each other and arrested a number of pilferers, habitual thieves, robbers, and criminals who inflicted injuries on others; thereby effectively curbing the spread of crime. To consolidate the results of the crime crackdown and to step up the drive, the county court sentenced (Li Shengbin) and 11 other criminals charged with theft, robbery, and hooliganism to 13, 10, seven, and two years of imprisonment. [video shows the public trial of 12 criminals inside an auditorium]

**PRC: Xinjiang Regional Party Committee Holds Phone Meeting on Crime**

*OW3005043196 Urumqi XINJIANG RIBAO  
in Chinese 14 May 96 p 1*

[Report by staff reporter He Shihong [6378 0013 4767]: "The Regional Party Committee Holds an Urgent Telephone Meeting To Call on Localities to Crack Down on Violent Terrorist Crimes"]

[FBIS Translated Text] The regional party committee held an urgent telephone meeting on 13 May to call on various localities to crack down on serious violent terrorist criminal activities [hen hen da ji yan zhong bao li kong bu fan zui huo dong 1771 1771 2092 2345 0917 6850 2552 0500 1858 1831 3690 4997 3172 0520] and to go all out to maintain local political and social stability.

Li Fengzi, member of the standing committee and secretary of the political and legal commission of the regional party committee, delivered an important speech at the meeting. He said: While relaying the guidelines

set forth in the party Central Committee's important instructions on maintaining stability in Xinjiang and the guidelines laid down at a recent working conference of the regional party committee, party committees and governments at various levels should earnestly analyze the enemy's present situation [dang qian di di qing 3981 0467 4104 2420 1906], social conditions, and destabilizing factors; fully estimate what problems may occur; and effectively strengthen their leadership over the work of maintaining stability. Principal party and government leaders in particular must pay close attention to maintaining stability, personally lead this work, and take part in planning it. They must regard preventing hostile elements from carrying out violent terrorist activities again as the most important task in maintaining stability at present. In some localities where the enemy's situation is serious, it is necessary to promptly organize a powerful offensive against the enemy and to resolutely deflate his arrogance. As for individual places where criminal activities are conspicuous, party committees and governments should study the situation, work out plans, and be determined to tackle key problems. They should resolutely eradicate violent terrorist activities and do away with the basic conditions on which serious criminals rely to develop.

Li Fengzi pointed out: All localities should further implement various security precautions and give hostile elements no chance to commit a crime. It is necessary to enable people of various nationalities to see the enemy in his true colors and to conscientiously take part in the struggle to crack down on serious criminal activities particularly by exposing and denouncing hostile elements' terrorist activities and their murder of innocent persons. With party and government leaders assuming responsibility and relevant departments coordinating closely with one another, all localities should take precautions and preventive measures with regard to important places and targets the enemy may possibly sabotage or make inroads on. They should do so one by one, and they must strictly prevent the enemy's plots of sabotage from succeeding. Security measures must be strengthened particularly for key facilities, such as major factories, mines, enterprises, markets, warehouses, water conservancy and power projects, railways, and civil aviation facilities. We must take strict precautions against sabotage by the enemy. If problems occur due

to neglect of duty, those responsible should be called into account.

Li Fengzi pointed out: Judicial, procuratorial, and public security organs at various levels should coordinate closely with one another and crack down on serious violent terrorist activities. Particularly in places where important clues for the enemy's situation have been discovered, it is necessary to keep abreast of possible enemy sabotage attempts and to use all available means to resolutely forestall those who attempt to carry out violent terrorist activities, such as reprisals by murdering persons. Under no circumstances must any of the enemy's plots of sabotage be allowed to succeed. In cracking down on violent terrorist activities according to law, various judicial, procuratorial, and public security departments all should resolutely implement the principles set by the regional party committee, persist in determining the nature of such cases to be of a serious criminal offense, adhere to the principle of sternly and promptly punishing criminals and the principle of "two fundamentals" [liang ge ji ben di yuan ze 0357 0020 1015 2609 4104 0626 0463], and firmly punish all violent terrorists.

Li Fengzi finally called on various localities to vigorously commend and award heroes and models who come to the fore in the struggle to crack down on serious criminal activities and on violent terrorist activities in order to encourage healthy trends. Proceeding from their political duty to ensure the safety of those living under their jurisdiction, party committees and governments at various levels should pay close attention to the work of judicial, procuratorial, and public security departments, support their work in organizational leadership, expenditure, and equipment, provide or create favorable working conditions for them, and give full play to their role as the main force in maintaining stability.

Leaders of the Xinjing Military District, the political and legal commission and propaganda department of the regional party committee, the regional public security department, the Xinjiang Armed Police Group, and the Production and Construction Corps Headquarters attended the meeting.

**Taiwan: Military Defends Decision To Deploy Patriot Missiles**

*OW3005093696 Hong Kong AFP in English  
0928 GMT 30 May 96*

[FBIS Transcribed Text] Taipei, May 30 (AFP) — Taiwan's Defense Ministry on Thursday [30 May] defended a controversial decision to place Patriot missile batteries within Taipei, saying they would protect the political, economic and administration centers in the capital.

In a press release, the Defense Ministry sought to reassure Taipei residents of their safety, saying the base locations had been carefully selected so as not to endanger their lives or property.

In case of enemy attack, incoming missiles would be intercepted by the US-made Patriot system off the Taiwan coast, with the exploded debris falling into the sea, the release said.

Chen Shui-pien, Taipei's mayor, has attacked the scheme, saying the bases would make Taipei the target of attack.

According to press reports, the ministry plans to set up a Patriot missile base in Taipei's eastern industrial district of Nankang, as well as the suburban areas of Wanli and Linkou.

The reports said it would also deploy the sets in the central city of Taichung and in the southern port city of Kaohsiung.

Taiwan has ordered 200 Patriot missiles from the United States, the first batch of which is expected between August and September.

**Taiwan: Crewmen From Taiwan Ship Arrested for Murder in Canada**

*OW3005095296 (Internet) Taiwan Central News Agency WWW in English 0839 GMT 30 May 96*

[By S.C. Chang]

[FBIS Transcribed Text] Ottawa, May 29 (CNA) — The Canadian police authorities on Thursday [30 May] arrested the Taiwanese captain and six other Taiwanese crewmen aboard the Dubai on charges of murder in the high sea.

The seven arrestees are: Cheng Shiou, captain; Wu Chung-chih, first mate; Kuo Chin-shui, second mate; Jang Che-min, radio operator; Ni Yung-lai, chief engineer; You Chaur-sheng, carpenter; Wang Ko-lung, cook.

Jang jumped ship yesterday, was rescued and hospitalized. All others were taken aboard their container vessel docked in the middle of the Halifax port.

The armed boarding of the ship was prompted in part by Captain Cheng's refusal to dock by the port. A Canadian press report said he refused to dock on orders from the Taiwanese government.

The suspects could be extradited to Romania to stand trial for first degree murder. Whether that carries a death penalty wasn't clear, a Foreign Affairs Department spokesman said.

RCMP spokesman Bill Price said the search for reportedly two more hiding stowaways and other evidence will "take some time, after which the ship would be free to sail to its next stop in Newark, N.J."

In Ottawa, Romanian Embassy spokesman Nicolae Llute said, "Perhaps the Taiwanese authorities will be involved, having in view it is a Taiwanese vessel and crew, and this has to be further discussed here in Canada."

The Royal Canadian Mounted Police acted in concert with Ports Canada police, Canada Coast Guard, the federal Department of Justice and Interpol after receiving arrest warrants from the Romanian government.

Based on the warrants, the RCMP obtained "a Canadian warrant for apprehension" for the Taiwanese officers.

They will appear in court, where interviews will be conducted, and held in custody pending extradition proceedings, according to an RCMP news release.

**Taiwan: Official Asserts Taiwan's Jurisdiction Over Dubai Crew**

*OW3005100296 (Internet) Taiwan Central News Agency WWW in English 0839 GMT 30 May 96*

[By S.C. Chang]

[FBIS Transcribed Text] Ottawa, May 29 (CNA) — A ranking Taiwan official said today he was upset by the Canadian police's arrest of seven Taiwan crewmen aboard a container ship docked off Halifax on charges of first degree murder.

"I've been in contact with External Affairs (Department) officials. I've told them very clearly that any action cannot be taken without prior consultation with this office," said Leonard Chao, a senior official at the Taipei Economic and Cultural Office in Ottawa.

Taipei has insisted that it has the exclusive jurisdiction over the investigation and possible trial of the alleged high sea murder, in which the Dubai's former Philippine crew claimed three Romanian stowaways were thrown overboard in North Atlantic.

Chao said his Taipei government should have been allowed to handle the investigation but was never

consulted. Canada decided to act even though Taiwan wants to take over the case.

Jeffrey Chapman, a spokesman for Canada's Department of Foreign Affairs, said, "Unfortunately, Canada does not have state-to-state relations with Taiwan, (so) we wouldn't be able to respond positively to such a request from the Taiwanese authorities."

Dan Brian, who spoke for Royal Canadian Mounted Police, said the RCMP acted on the basis of the Romanian government's arrest warrants, which were issued this afternoon.

Apparently, the lack of official ties between Taiwan and Canada has cost the Taiwan government a chance to exercise its jurisdiction over its ship and crew stranded in a foreign country.

Both Romania and Taiwan have told Canada they are willing to cooperate by sending judicial and investigative officials to handle the case.

Bill Price, who speaks for the RCMP operation in Halifax, said the seven Taiwanese officers will be charged with first degree murder, and could be extradited to Romania after a hearing in Halifax.

#### Taiwan: Taiwan Claims Exclusive Jurisdiction Over Container Ship

*OW2905145196 (Internet) Taiwan Central News Agency WWW in English 1442 GMT 29 May 96*

[By Maubo Chang]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — The Ministry of Foreign Affairs claimed on Wednesday [29 May] that the ROC [Republic of China] has exclusive jurisdiction over a Taiwanese container ship whose officers were accused of tossing three Romanian stowaways overboard on the high seas.

The vessel Dubai arrived in Halifax, Canada, late Friday. Eight members of its Filipino crew complained to police that they were ordered to fashion a makeshift raft out of an oil drum for two Romanians discovered on board on May 12, a day after the ship left Algeciras, Spain, for Halifax.

A third Romanian stowaway was found and thrown overboard on May 18, according to the Filipinos.

The Taiwanese captain of the Dubai denied the allegation, saying the Filipinos concocted the story out of vengeance against him because he refused their demands for a pay hike.

Canadian police interviewed the crew members and gave the go-ahead for the ship to leave Halifax, declar-

ing that the alleged murders occurred in international waters outside of Canadian jurisdiction.

The ROC Foreign Ministry said in a statement on Wednesday that it is too early now to say whether any criminal acts took place on the Dubai, and that even if they did, ROC has exclusive jurisdiction over its ships under the 1982 UN Convention on the Law of Sea. The ministry said ROC judicial authorities will investigate the case to its conclusion.

The ministry said that it has asked Canadian authorities to turn over the ship and its crew members to Taiwan for investigation, and that Taiwan is willing to send law enforcement officials to Canada to collect evidence.

The statement also promised that the ROC will investigate the incident impartially.

#### Taiwan: Taiwan Protests Canada's Detention of Ship's Crew

*OW3005094596 (Internet) Taiwan Central News Agency WWW in English 0839 GMT 30 May 96*

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, May 30 (CNA) — The ROC Government Thursday [30 May] expressed its deep displeasure and grave concern over Canadian police's arrest of seven Taiwan crewmen aboard the Dubai, a container ship, docked off Halifax on charges of murder.

Even though Taipei agreed on Wednesday to allow Canadian police to take part in investigation of an alleged high sea murder, the Canadian authorities have no right to make the arrest, said David Li, director of Ministry of Foreign Affairs' North American Affairs Department.

Li said ROC judicial officials will be arriving in Canada soon to help investigate the case.

It was reported that the Canadian police forcibly boarded [as received] the Dubai, or Ming Fortune in her Chinese name, and arrested captain Cheng Shiou and five other crew members Wednesday on charges that they had tossed three Romanian stowaways overboard in North Atlantic.

Meanwhile, officials of the Taipei-based Yangming Marine Transport Corp., owner of the Dubai, Thursday strongly protested over Canadian police's forced boarding of the vessel and detention of its crewmen.

According to Yangming officials, Cheng Shiou insisted that the accusation by Filipino crew members of Taiwanese officers' throwing three Romanian stowaways

overboard was fabricated. Cheng said the Filipinos concocted the story out of vengeance against him because he refused their demand for a pay raise.

Local legal sources said Thursday that Canadian police have infringed the ROC's sovereignty by their action against the Dubai, an ROC-registered ship. The ROC government has exclusive jurisdiction over the Dubai under the 1982 UN Convention on the Law of Sea, the sources said.

They commented that it is still too early to say whether any crime took place on the Dubai. Even if it did, they said, the Canadian authorities have absolutely no right to take any actions against the vessel and its crew on the grounds that the incident occurred in the high sea.

#### Taiwan: FPG Chairman To Meet With Mainland Officials

*OW2905090496 (Internet) Taiwan Central News Agency WWW in English 0728 GMT 29 May 96*

[By Wang Hsin-chung & Elizabeth Hsu]

[FBIS Transcribed Text] Beijing, May 29 (CNA) — Y.C. Wang, chairman of the Formosa Plastics Group (FPG) has arrived in Beijing, and will meet with the high-ranking officials of the Ministry of Power Industry (MOPI) of Mainland China, informed sources with the ministry said Wednesday.

Wang will probably meet with MOPI Minister Shi Dazhen during his stay in Beijing, according to the sources.

Wang signed Tuesday a cooperation agreement with Fujian's provincial authorities to build a thermal power plant with an install capacity of 6 megawatts in Zhangzhou. The power plant will be further expanded to 36 megawatts. FPG is a leading private business group in Taiwan.

MOPI officials said Beijing especially welcomes Taiwan or foreign manufacturers' investment in power generation in Mainland China.

#### Taiwan: FPG Urged To End Investment In Mainland Thermal Plant

*OW2905095696 (Internet) Taiwan Central News Agency WWW in English 0729 GMT 29 May 96*

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — An opposition lawmaker on Wednesday [29 May] urged Formosa Plastics Group (FPG) Chairman Wang Yung-chin to "rethink" his decision to set up a power plant in Mainland China, saying the move has put Taiwan's safety in jeopardy.

Calling on Wang to withdraw the investment in Zhangzhou in southeastern Fujian province, legislator Tsai Ming-hsien of the Democratic Progressive Party said Wang's move has seriously endangered Taiwan's safety.

Tsai's remarks came after a local press report on Tuesday that Wang has inked an agreement with Zhangzhou authorities in setting up a thermal power plant there at a cost of US\$3.8 billion.

Tsai said it is lamentable that Wang, an influential leader in the Taiwan's industrial sector, signed the agreement shortly after Mainland China's military intimidation of Taiwan in March.

Wang's multi billion-dollar investment in Fujian would indirectly hurt Taiwan's safety, because the Fujian Military District played a major role in Mainland China's saber rattling against Taiwan earlier this year, Tsai said.

Tsai also raised the question why Wang did not consider building a thermal power plant too in Taiwan, where public opinion is against building nuclear power plants. Wang would do the country a big service if he invested in thermal power generation in Taiwan, he stressed.

#### Taiwan: Li Teng-hui Stresses Importance of 'Indigenous Education'

*OW3005032396 Taipei LIEN-HO PAO in Chinese 27 May 96 p 1*

[FBIS Translated Text] Yesterday President Li Teng-hui, as an alumnus, attended the centennial celebration of the Tanshui Primary School in Taipei County. He said: As a result of the past overemphasis on the concept of A great Chinese nation in education, our students fell victims, and are now ignorant of Taiwan's history and the struggles of our forefathers. He said that attaching importance to indigenous education [xiang tu jiao yu 6763 0960 2403 5148] and community education will be the primary goal of our future educational reform; the narrow-minded mentality on nationalism in education [xia yi min zu yi shi jiao yu guan 3707 7137 3046 2469 1942 6221 2403 5148 6034] should be readjusted.

Invited by the Tanshui Primary School to return to his alma mater to make a speech yesterday [26 May], Li Teng-hui pointed out: The greatest difference between Taiwan and the mainland lies in universalization of education. That our country enjoys economic prosperity, political democracy, and social affluence is attributed to our solid foundation in education. However, to cope with the arrival of the 21st century, educational and judicial reforms should not be delayed.

He said: "As our fellow countrymen fell victims to the concept of a great Chinese nation," youngsters today misunderstand the facts about Taiwan's history and are ignorant of Taiwan's history. President Li pointed out: Countries with longstanding civilization in the world, such as Egypt and those in the Middle East, are examples illustrating the "development of great cultures from small places." He maintained that Taiwan has the conditions for developing a culture embracing maritime culture, continental culture, and Western culture.

Turning to another subject, President Li said that when he was still the Vice President, he read, with a "guilty conscience [xin xu 1800 5711]," the primary school textbooks. According to President Li, the textbooks did not mention a single word about famous Western scientists, philosophers, and statesmen, except for George Washington; and were far inferior in content than the textbooks with biographies of Plato and Aristotle he read as a primary school student.

He emphasized: To meet the challenges of the 21st century, it is necessary to promote new ideas for educational reform. First, we should attach importance to indigenous education and community education. He said: Taiwan has a history of at least 400 years, not 40 years.

To enable our younger generations to understand the connotation of the Taiwan experiences, we must attach importance to indigenous education and community education. Meanwhile, teachers should take up the responsibility of mingling with their community and closely combining community education with indigenous education.

Second, we should foster a broad international vision. President Li pointed out: In carrying out educational reform from now on, we should jettison the narrow-minded mentality on nationalism, and should instill the concept of the global village into students so that they can absorb knowledge from all sources and learn the trends in the world.

President Li said: The establishment of an interdependent community is another major goal of educational reform. While giving rein to individual will, our countrymen, still more, should attach importance to group welfare by focusing attention on the interdependent community, with Taiwan as the mainstay, and working together regardless of groups and tribes for the betterment of Taiwan.

**Hong Kong**

**Hong Kong: Li Peng Meets Hong Kong's Chief Justice**

*OW2905142996 Beijing XINHUA in English  
1417 GMT 29 May 96*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Premier Li Peng has told Hong Kong's chief justice that judicial personnel can contribute to the stable transition of Hong Kong to the motherland.

Premier Li met and had a cordial talk in Beijing today with Ti Liang Yang, Chief Justice of Hong Kong.

Li said that there are only 398 days left to Hong Kong's return to the motherland which is the trend of the times and the desire of the people, adding that the whole situation is good.

The premier stressed that the Chinese government has always attached great importance to the stability of the civil servants and judicial staff in Hong Kong.

"Judicial personnel are welcome to remain in Hong Kong and continuously contribute to the stable transition and smooth transfer of the power and serve the future's Hong Kong Special Administrative Region," he said.

Li expressed the belief that the overwhelming majority of the Hong Kong civil service and judicial personnel stand for the return of Hong Kong to the motherland and will work hard for the Hong Kong's long-term stability and prosperity.

**Hong Kong: Zhu Rongji Optimistic About Economic Prospects**

*HK3005082496 Hong Kong WEN WEI PO in Chinese  
30 May 96 p a2*

[Dispatch from Beijing by staff reporter Huang Tung-hung (7806 2639 4767): "Zhu Rongji Is Optimistic About Prospects For Hong Kong's Economy, and Hopes that the Territory Will Continue To Develop Its Financial System After 1997"]

[PTS Translated Text for FBIS] Beijing, 29 May (WEN WEI PO) — Zhu Rongji, vice premier of the State Council, met with responsible persons from Hong Kong's four major financial institutions — Hong Kong Monetary Authority, Hong Kong Stock Exchange Council, Hong Kong Futures Exchange Limited, and Hong Kong Securities and Futures Commission — at the Diaoyutai State Guesthouse this evening. He stated that he was fully confident of Hong Kong's financial transition, and hoped that the territory would continue to develop its financial market and system after 1997.

After the meeting, Joseph Yam Chi-Kwong, director of Hong Kong Monetary Authority, met the press.

He said that while meeting with delegates from Hong Kong financial circles, Zhu Rongji talked about three issues: 1) China's economy is getting better and better. China's present economic growth rate is rational. Its inflation is under control. Its grain price is stable, and its foreign exchange reserves are increasing rapidly. Its financial deficit will also be gradually curbed. 2) He is fully optimistic about Hong Kong's economic prospects, and believes that favorable economic and financial development on the mainland will also bring along Hong Kong's economy and finance. He is upbeat about the territory's economic prospects before and after 1997. 3) He supports the symposium "Hong Kong Is Advancing Toward a New Financial Century," jointly sponsored by Hong Kong's four major financial institutions, the People's Bank of China, and China Securities Control Commission. He appreciates Hong Kong's previous achievements, and hopes that the territory will continue to develop its financial market and system after 1997.

It has been reported that Zhu Rongji is fully confident of the future of Hong Kong as an international financial center. He encourages Hong Kong's financial circles to forge close ties and have more contacts with financial circles in China. Zhu Rongji maintains: Under the Basic Law and the spirit of "one country, two systems," Hong Kong and the mainland can determine their own financial reforms.

Yam Chi-Kwong stated: Specific matters regarding strengthening cooperation between Hong Kong and the mainland were not discussed during the meeting. However, since finance in Hong Kong is closely linked with that on the mainland, and since they influence each other in the stock market, the bond market, bank controls, macro-finance, and so on, they must establish closer ties and strengthen their cooperation.

Those present at the meeting included: Eleven delegates from Hong Kong financial circles, including Edgar Cheng Wai-kin, Leung Ting Pong, Wong Kwong Shing, and others; Dai Xianglong, governor of the People's Bank of China; Chan Yuan, vice governor of the People's Bank of China; Zhou Daoqiong, chairman of China Securities Control Commission, and others. After the meeting, Zhu Rongji feted Yam Chi-Kwong and his party.

In addition, Ng Wai Chung, vice chairman of Hong Kong Securities and Futures Commission, told reporters that his commission would sign a memorandum of understanding [MOU] with the State Administration of Exchange Control on cooperation in foreign exchange. The Hong Kong side has submitted a proposal. Now signing it is only a matter of procedure. It is difficult

to predict whether the MOU will be signed within this year. Leung Ting Pong, chairman of Hong Kong Securities and Futures Commission, stated that although the MOU has not been signed, his commission has noticed the revival of illegal foreign exchange futures on the mainland. The commission will pay attention to this matter. He stressed: Tomorrow's symposium will focus on macroscopic issues. With regard to other, specific issues, such as H shares and cooperation between Hong Kong and the mainland on funds control, participants will exchange views at small group discussions of the symposium. It has also been learned that Dai Xianglong, governor of the People's Bank of China, will deliver a speech at the symposium tomorrow.

**Hong Kong: Zhu Rongji Pledges Autonomy On Monetary Policy**

**HK3005065696 Hong Kong EASTERN EXPRESS in English 30 May 96 p 1**

[By Lorraine Chan in Beijing]

[PTS Transcribed Text for FBIS] Hong Kong will maintain its autonomy on monetary policy after the handover Zhu Rongji, China's vice-premier, said yesterday.

Zhu gave the assurance to Joseph Yam, chief executive of the Hong Kong Monetary Authority, at a meeting in Beijing. Yam said he was given a guarantee that Beijing would not intervene in monetary policy after the change of sovereignty.

"Zhu assured that Hong Kong will be able to decide its own monetary policy under the Basic Law and the arrangement of one country, two systems," Yam said.

Yam was speaking on the eve of a two-day seminar, "Hong Kong towards a new financial era", co-organised by four financial market regulators in the territory, and the China Securities Regulatory Commission (CSRC).

Anthony Neoh, the chairman of Hong Kong's Securities and Futures Commission Edgar Chang, chairman of the Stock Exchange of Hong Kong, and Frank Wong, chairman of Hong Kong Futures Exchange also attended the dinner-meeting with Zhu last night.

On the Chinese side, Chen Yuan, the deputy governor of the People's Bank of China and Zhou Daojiong, chairman of the CSRC attended.

Yam said officials did not discuss any plan with substance to strengthen the co-operation of the two financial markets. However, he said, Zhu did reassess his confidence in the economic prospects of the territory and added the mainland economy was on the right track.

"Zhu told us that China's economy is growing at a reasonable pace. Inflation and trade deficit are in control, foreign reserves are also increasing," Yam said.

Neoh, meanwhile, said he would not seek to extend his contract when it expires next year. He said "the job is too political", and he rated his performance at "30 out of 100", while giving 80 out of 100 to Chang.

**Hong Kong: Zhang Junsheng Comments on Hong Kong's Transfer of Power**

**OW3005085696 Beijing XINHUA Domestic Service in Chinese 1535 GMT 28 May 96**

[By reporter Zhang Chengbin (1728 2110 2430)]

[FBIS Translated Text] Hong Kong, 28 May (XINHUA) — Zhang Junsheng, XINHUA Hong Kong Branch deputy director, said today that the transfer of political power in Hong Kong in 1997 is business between the Chinese and British Governments, and the Chinese side never said who would be barred from attending the transfer ceremony.

Zhang Junsheng made the above remark in an interview with reporters while attending an inaugural reception of the Hong Kong Journalists Association this evening.

In the interview, Zhang Junsheng first corrected an erroneous view. He said: The ceremony, to be held on 1 July 1997, is to mark the transfer of Hong Kong's political power, not sovereignty, because Hong Kong has always been under China's sovereignty. This is spelled out in the Sino-British Joint Declaration.

Then, fielding a question about whether the Hong Kong governor could attend the ceremony, he said: The Chinese side has never said who will be barred from attending the ceremony; it has only said that the transfer of political power is business between the Chinese and British Governments, not between the Hong Kong Governor and the Administrative Executive of the Special Autonomous Region. As for whether the Hong Kong Governor can attend the ceremony, it is entirely a matter for the British side.

**Hong Kong: JLG 8th 'Expert Meeting' Opens 29 May**

**OW2905103196 Beijing ZHONGGUO XINWEN SHE in English 1000 GMT 29 May 96**

[FBIS Transcribed Text] Kong, May 29 (CNS) — The eighth expert meeting of the Sino-British Joint Liaison Group (JLG) concerning the drawing up of the budget and related problems opens today.

The meeting will last for two days. This is the first expert meeting after the drawing up of the 97/98 Budget began.

Chen Zuoer, representative of the Chinese party and head of the Chinese Expert Group, pointed out that the Chinese party attended the meeting with the spirit of cooperation and sincerity for steady transition of Hong Kong. He hoped that this meeting would be a success.

He continued that at the sixth expert meeting in January, the Chinese party had put forward a plan of cooperation in the drawing up of the 97/98 Budget, which included three principles and five proposals. An understanding has been reached for the three principles and three proposals through two expert meetings and mutual cooperation.

For the remaining two proposals, the British party put forward problems at the last expert meeting. The Chinese party are prepared to give consideration to these problems at this expert meeting, Chen said. Thus, there would be no obstacle to mutual cooperation in drawing up the Budget.

He said that the British party had also reaffirmed that it would comprehensively cooperate with the Chinese party in this respect. Mr. Chen concluded that experts should now work together with two parties having equal decision-making power in the drawing up of the Budget.

The British experts of this meeting are led by Kwong Ki-chi, Secretary of the Treasury in Hong Kong

#### **Hong Kong: Chen Zuoer Comments on JLG Meeting**

*OW2905130196 Beijing XINHUA in English  
1239 GMT 29 May 96*

[FBIS Transcribed Text] Hong Kong, May 29 (XINHUA) — Experts on the Sino-British Joint Liaison Group (JLG) today began their eighth meeting on Hong Kong's budget for the transition period.

At a news briefing before the two-day meeting, Chinese representative Chen Zuoer said that on the basis of the consensus reached by the two sides at the previous meetings, the Chinese experts will take into account the British side's difficulties in the process of budget drafting.

Thus, Chen said, there will be no difficulties for the two sides to cooperate in the joint drafting of the 1997-98 budget.

He expressed the wish that today's meeting would be a good start.

On the project of Western Corridor Railway, Chen said that the Chinese side has always supported the

construction of the railway, for it will benefit Hong Kong's development, especially the development in the northwestern part of the New Territories.

He said that last year, the Chinese side suggested its British counterpart put the issue on the agenda of JLG experts meetings for the project will mainly be carried out after July 1, 1997.

However, he said, the British side had not briefed the Chinese side on the project until the end of February.

At the one-hour briefing, the British side claimed the construction work of the railway will begin in 1998, he said.

In the following three months, the Chinese side received nothing of the related materials on the project, he added.

But according to a local media report, a Hong Kong government official said Tuesday that the project would start in early 1997, he said.

"How can the British Hong Kong government start the project in early 1997 without consultation with the Chinese side?" he queried.

Chen urged the British side to put the issue to the JLG for discussion and said that without consensus reached by the two sides on the project, the British Hong Kong government should not approve any contract on the project.

#### **Hong Kong: Further on Chen Zuoer's Comments**

*OW2905125096 Beijing ZHONGGUO XINWEN SHE in English 1233 GMT 29 May 96*

[FBIS Transcribed Text] Hong Kong, May 29 (CNS) — The British Hong Kong government should not endorse unilaterally any contract for the Western Rail Link, including those for consultancy service, design, construction and financing, before a consensus between the Chinese and British sides was reached on the overall planning and financial arrangement for the grand project, said Chen Zuoer, representative of the Chinese side of the Sino-British Joint Liaison Group (JLG).

Speaking before the experts meeting of JLG, Mr. Chen expressed the solemn and just stance held by the Chinese side on the rail project.

Mr. Chen said news report revealed yesterday that some Hong Kong ranking officials had said that the rail project would be carried out early next year. Mr. Chen noted that the news came all of a sudden and that the Chinese side had never been informed of this idea. He hoped that the British Hong Kong authorities could consult with the Chinese side as soon as possible as there are a mere six months away from the early part of

next year when the project was said to start. Mr. Chen said that the rail project would be basically under the jurisdiction of the Hong Kong Special Administrative Region (SAR) government.

Mr. Chen reiterated the stance held by the Chinese side on the Western Rail Link, saying that firstly, the Chinese government had long lent its support to the rail project as well as the rail network development strategy in which the rail project was included because the rail network is essential to the further development of the territory. Mr. Chen said that the Chinese side had repeatedly urged the British side to put the rail project on agenda of JLG meetings as early as possible because the project construction would extend in or after 1997. The Chinese side had been informed by the British side that construction on the project would not commence till early 1998. During a briefing held on February 28, the British side also stated that land requisition would not begin until the third quarter of next year. That means construction on the rail project would start in 1998. Mr. Chen said that at the briefing the Chinese side asked for more information as well as a timetable for initial preparatory work on the project but the British side had made no reply.

The second stance of the Chinese side was that the rail project must be submitted to JLG for deliberation with an aim of laying a sound foundation for the future SAR government. The Chinese official was convinced that it was necessary for an early start on the rail project and attention had to be given to cost-effectiveness in order to avoid a heavy burden on taxpayers.

Mr. Chen stressed that should the contracts be approved unilaterally, they would not be recognized by the SAR government. When making decisions straddling 1997, the Kowloon-Canton Railway Corporation, which was wholly owned by the government, should show respects to its present leading shareholder as well as to the future SAR government which would be the sole shareholder of the corporation.

#### Hong Kong: JLG Committee Signs 'Minute' on 2d Airport Runway Project

OW3005042696 Beijing XINHUA in English  
0412 GMT 30 May 96

[FBIS Transcribed Text] Hong Kong, May 30 (XINHUA) — The Chinese and British sides of the Airport Committee of the Sino-British Joint Liaison Group (JLG) today signed an agreed minute on the project of the second runway of Hong Kong's new airport.

The minute says that the two sides discussed the Airport Authority's proposal to proceed as quickly as possible with the design, construction and commissioning of the

project of second runway and associated facilities at the new airport at Chek Lap Kok.

In accordance with the provisions of the "Memorandum of Understanding Concerning the Construction of the New Airport in Hong Kong and Related Questions", both sides reached a common view on the proposal as follows:

1. The Airport Authority may immediately proceed with the design and construction of the second runway (and associated facilities) project, with a view to its commissioning as soon as possible after completion of the new airport (first runway and associated facilities) project on the understanding that the undertaking of these works will not have any adverse impact on the completion date of the latter project.
2. All costs incurred by the Airport Authority in respect of the second runway (and associated facilities) project up to the time the new airport (first runway and associated facilities) project is completed will be financed by borrowings.

Such borrowings will not need to be guaranteed or repaid by the Hong Kong Government, and the Airport Authority will be liable for the repayment of such debts in full. Such borrowings will be separate from Project Borrowings as defined in the Financial Support Agreement signed on December 1, 1995 between the Government and the Airport Authority, and will not subject to the terms of that Agreement.

#### Hong Kong: JLG To Hold 36th Meeting in London S-7 Jun

OW2905082696 Beijing XINHUA in English  
0801 GMT 29 May 96

[FBIS Transcribed Text] Hong Kong, May 29 (XINHUA) — The Sino-British Joint Liaison Group (JLG) is to hold its 36th meeting in London from June 5 to 7, according to the Chinese side on the JLG.

Those of the Chinese side who will attend the meeting include Ambassador and senior representative to the JLG Zhao Jihua, and representatives Chen Zuoer, Yang Youyong (head of the Foreign Affairs Department of XINHUA NEWS AGENCY Hong Kong Branch), Wang Weiyang, and Wu Hongbo (counselor of the Hong Kong and Macao Affairs Office of China's Foreign Ministry) as well as experts and staff workers concerned.

**Hong Kong: Preparatory Committee's Recommendations Hailed**  
**HK3005053896 Beijing LIAOWANG in Chinese**  
**15 Apr 96 No 16, pp 22-23**

[Article by Han Wuyan (7281 5294 3601): "Decisions of the Preparatory Committee for Hong Kong Special Administrative Region Conform With Aspirations of Hong Kong People"]

[PTS Translated Text for FBIS] Winter is over and spring is here. All things on earth are coming back to life. The day of Hong Kong's return to the motherland is drawing closer by the day. Consequently, preparations for the setting up of the Hong Kong Special Administrative Region [SAR] are becoming increasingly urgent and important.

As expected, the Preparatory Committee [PC] charged with handling matters related to the preparations for the Hong Kong SAR lived up to its weighty responsibility. At its second plenary session two months after its founding, it made three decisions and one recommendation on issues that the people of Hong Kong were concerned with and which called for immediate solution. The other day, its Selection Committee Subgroup and its Economic Subgroup went to Hong Kong to carry out consultations with the people of Hong Kong and in-depth investigation and research on setting up the Selection Committee. The PC's efficiency and the timely and correct decisions it has made have won support and praise from the overwhelming majority of Hong Kong people.

(I)

The decision adopted by the PC to set up a provisional legislative council is considered an important move to ensure Hong Kong's smooth transition and the proper operation of the future Hong Kong SAR.

As is known to all, China shall officially resume its sovereignty over Hong Kong on 1 July 1997, thereby wiping out the disgrace of subjugation under the colonial rule of more than a century. The last British Hong Kong Legco and the first legislative council of the Hong Kong SAR are two organs of different natures, but for the sake of Hong Kong's smooth transition, the Chinese Government demonstrated great sincerity and proposed the "through train" arrangement for the constitution of the first SAR legislative council, whereby Hong Kong's last Legco would be carried forward beyond 1 July 1997 as the first legislative council of the Hong Kong SAR, provided that the former conform with the applicable provisions in the decision adopted by the National People's Congress [NPC]. It was further provided that individual Legco

members also conform with the applicable provisions of the NPC's decision, with confirmation by the PC, before they can stay on as members of the SAR's first legislative council. This arrangement was very much in the interest of the Hong Kong people. However, Chris Patten's "constitutional reform proposal" destroyed this arrangement. Nevertheless, the Chinese side, showing great sincerity and patience, carried out as many as 17 rounds of talks with the British side. Regrettably, the talks were brought to a halt by the British side's premeditated sabotage. The British side insisted on having its way and arranged the last Legco entirely at its own will. As the people of Hong Kong put it, "Britain still wants to extend its colonial rule beyond the founding of the SAR." That was of course unacceptable to the Chinese side. Therefore, the Ninth Session of the Eighth NPC Standing Committee adopted a relevant decision, announcing that the last British Hong Kong Legco shall terminate on 30 June 1997.

However, what is equally obvious is that members of the first legislative council of the Hong Kong SAR cannot be elected on 1 July 1997, the founding day of the SAR, or within a short period of time thereafter, still less before 1 July 1997 when Hong Kong is still under British rule. This is because according to the "NPC Decision on the Method of Constituting the First Legislative Council of the Hong Kong SAR" adopted by the NPC in April 1990, members of the first SAR legislative council should be named by such electoral methods as direct constituency elections. It is hard to imagine that the elections of the new administration will take place under British Hong Kong rule. Therefore, with no "through train" and no possibility of immediate constitution of the new legislative council, a "legislative vacuum" as dubbed by some people may emerge in Hong Kong. Yet on the other hand, in the process of preparing for the founding of the Hong Kong SAR and after its founding, there will be a host of highly important and urgent things that must be attended to immediately. They include: the simplest things like how to make and display the SAR flag and SAR emblem; the audit and adoption of the government budget; the approval of taxation and public spending plans; the ratification of the appointment of judges to the SAR Court of Final Appeal and the appointment of the court's chief justice; the nomination, in conjunction with the SAR chief executive and the chief justice of the Court of Final Appeal, of six Hong Kong members to the Hong Kong Basic Law Committee of the NPC Standing Committee; and so on. In the meantime, certain laws necessary for Hong Kong's smooth transition and the SAR's proper operation must be formulated. A legislative organ is needed to be in charge of or participate in the processing and execution

of all those things, or else Hong Kong's smooth transition is bound to suffer and proper operation of the SAR will be impossible. In view of this, it was very timely and necessary for the PC to decide on the setting up of a provisional legislative council. Small wonder that when the news came out, the media in Hong Kong generally agreed that the PC's decision conforms with the aspirations of the people of Hong Kong. Many newspapers published commentaries and editorials in support of the decision. A number of mass organizations and associations in Hong Kong also published statements supporting the setting up of the provisional legislative council and pointed out that this is an effective measure, which is conducive to the smooth transition and is a safeguard for the proper operation of the SAR Government.

(II)

One should not take as insignificant the PC's decision on Hong Kong's public holiday arrangements for the second half of 1997 and all of 1998. One should know that many people had been waiting for this decision to be announced. For one thing, the printers and publishers of calendars were very anxious, because the printing of each year's calendars has to start in March or April of the previous year. If the decision on holidays had come too late it would naturally have affected the printing and publishing of calendars. Further, certain commercial and educational courses and famous racing events in Hong Kong also had to be arranged according to the new holiday timetable. That is why when this decision was made, many Hong Kong people applauded and praised the PC for considering the interests of the Hong Kong people.

The first of July 1997 is a day that 1.2 billion Chinese people and other peoples in the world who once suffered under colonial rule are following with interest. On that day, the Chinese people will take back Hong Kong and wipe out a disgrace that has lasted more than 150 years. Many people around the world have reserved hotel rooms in Hong Kong for those days. They want to witness the lowering of the Union Jack and the solemn raising of the bright red Five-Starred Red Flag of the PRC and the flag of the Hong Kong SAR. Hong Kong compatriots are even more excited and cannot hold back their joy. Some groups and regional organizations have of their own accord set up general planning committees and celebratory committees for returning to the motherland. They have already started making a series of preparations for celebrating Hong Kong's return to China. That is why the PC's decision to set up a committee for organizing activities for people from all walks of life in Hong Kong in celebration of Hong Kong's return to the motherland was a move catering

to the wishes of the people. This committee shall be responsible for the overall planning and organization of territory-wide nonofficial celebrations.

The PC's proposal to the NPC Standing Committee requesting interpretation of the "Nationality Law of the People's Republic of China" for implementation in the Hong Kong SAR is even more closely bound up with the immediate interests of Hong Kong people. It is common knowledge that because of the territory's unique history, before 1997, the British Hong Kong Government exercises nationality control in the territory in accordance with the British nationality law, whereby many Hong Kong compatriots hold various foreign passports. But after 1997, according to the Hong Kong Basic Law and its annexes, the Hong Kong SAR shall publish, or enforce through legislative means, the Chinese Nationality Law. This is a sign of the Chinese Government's resumption of sovereignty over Hong Kong. It involves not only the sovereign state interests of China but also the civil rights and vital interests of millions of Hong Kong compatriots. The Chinese Nationality Law, when implemented in Hong Kong, shall be the basis for confirmation of Hong Kong compatriots' status as Chinese citizens and confirmation of their possession of the Chinese Nationality Law. It is also a precondition to ensure Hong Kong compatriots' entitlement to Chinese civil rights and obligations after 1997. The Chinese Nationality Law does not acknowledge dual nationality. But in view of various past and present factors, in the spirit of "one country, two systems," and to maintain Hong Kong's prosperity and stability and provide Hong Kong people with easy access into and out of the country, the PC made recommendations for treating Hong Kong compatriots' nationality status in a flexible and liberal way. For example, it suggested that the foreign passports held by Hong Kong compatriots should be treated as travel documents, with which they can continue to travel to other countries and regions.

There is a unique phenomenon in Hong Kong: Over the past decade or so, many Hong Kong people have emigrated to other countries and then resettled in Hong Kong. They are called "returned emigrants" and most of them hold foreign passports. How should the status of these "returned emigrants" as "permanent residents of Hong Kong" be defined? And should the conflict between their status as Chinese citizens and the foreign passports they hold be resolved? These and other similar questions have caused concern among Hong Kong compatriots. The PC suggested legitimate, realistic, and rational solutions to those outstanding problems.

The Hong Kong public has reacted well to the PC's suggestions, which it generally thinks are flexible and

liberal enough and demonstrate real, circumspect consideration for the vital interests of Hong Kong compatriots. They reflect the Chinese side's sincerity in protecting Hong Kong people's interests, maintaining Hong Kong's prosperity and stability, ensuring Hong Kong's smooth transition, and providing Hong Kong residents with maximum convenience in all respects. They also reflect the Chinese Government's determination to firmly adhere to "one country, two systems, rule of Hong Kong by the people of Hong Kong, and a high degree of autonomy."

### (III)

From day one, the PC has been working in an intense but orderly way. In mid-April its Selection Committee Subgroup will visit Hong Kong and extensively consult personalities from all walks of life in the territory. The future Selection Committee will be made up of 400 permanent residents of Hong Kong. They shall recommend a candidate for the position of the SAR's first chief executive through consultation or through nomi-

nation and election after consultation, and then submit the recommendation to the central people's government for appointment. Therefore, members of the Selection Committee must be extensively representative, covering the whole spectrum of Hong Kong society, including deputies to the NPC representing the Hong Kong region, members of the National Committee of the Chinese People's Political Consultative Conference representing the Hong Kong region, experienced personalities working in Hong Kong's executive, legislative, and advisory organs before the founding of the SAR, and representative personalities from all strata and all circles of Hong Kong. It is learned that when in Hong Kong, the Selection Committee Subgroup will go into various circles, hold more than 20 discussion meetings, and conscientiously solicit opinions from all quarters. This will be an important task of the PC. One can believe that the PC will certainly be able to produce a namelist to the satisfaction of Hong Kong people.

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